



KOPEL RESEARCH GROUP^{INC.}
Worldwide Targeted Marketing Research

***South Carolina Education Lottery
Player Profile Study 2004***

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BACKGROUND AND PURPOSE

- ◆ **The South Carolina Education Lottery was launched in January 2002.**
- ◆ **This is the third annual player's survey.**
- ◆ **The purpose is to identify:**
 - **The demographic profile of SC Education Lottery players,**
 - **Monitor penetration,**
 - **Frequency of play,**
 - **Measure change in player profiles and behavior over past two years.**

LOTTERY GAMES AND INTRODUCTION DATES

◆ Specific South Carolina Education Lottery games introduced to date include the following:

- Instant/Scratch Games -- January 7, 2002 (\$10 game introduced end of 2003)
- Pick 3 -- March 7, 2002
- Carolina 5 -- June 17, 2002 (Draw increased to 2 draws per week May 13th, 2003 and 3 draws per week March, 2004)
- Powerball -- October 5, 2002
- Pick 4 -- January 27, 2003

METHODOLOGY

- ◆ **Telephone Survey**
- ◆ **Interviewing conducted September 13-29, 2004**
- ◆ **Respondent Distribution and Specifications:**
 - **Statewide, stratified sample**
 - **Adults, 18+**
 - **No Lottery employees, elected/appointed officials**
 - **Age and gender quotas**
 - **Weighted during data processing to reflect appropriate distribution of ethnicity**
- ◆ **Weighted Sample Size = 1,501 Total, 805 Lottery Players**
- ◆ **Sampling Error = Total sample +/- 2.5%, Players +/- 3.45%**
- ◆ **In this report, comparisons presented are based on statistically significant differences at the 95% Confidence Level.**

METHODOLOGY - Continued

- ◆ **12 weighted demographic clusters of the statewide population.**

SOUTH CAROLINA DEMOGRAPHIC BREAKDOWN	18 and older Population	Pop Percent	Weighted Sample Percent
White, 18-34, Male	315,275	10.5%	10.5%
White, 35-54, Male	382,570	12.7%	12.7%
White, 55 +, Male	279,331	9.3%	9.3%
White, 18-34, Female	333,742	11.1%	11.1%
White, 35-54, Female	404,979	13.5%	13.5%
White, 55 +, Female	295,693	9.8%	9.8%
Non-White, 18-34, Male	155,285	5.2%	5.2%
Non-White, 35-54, Male	188,430	6.3%	6.3%
Non-White, 55 +, Male	137,581	4.6%	4.6%
Non-White, 18-34, Female	164,380	5.5%	5.5%
Non-White, 35-54, Female	199,467	6.6%	6.6%
Non-White, 55 +, Female	145,640	4.9%	4.9%
TOTAL 18 AND OVER	3,002,371	100%	100%

QUALIFICATION OF “PLAYERS”

- ◆ **“Players” - “ever” purchased a South Carolina Education Lottery ticket.**

- ◆ **Conducted 1,501 total interviews**
 - **805 identified themselves as “lottery players”**
 - **“Players” were then interviewed for:**
 - **games played,**
 - **frequency of play,**
 - **number of tickets purchased,**
 - **dollars spent,**
 - **demographic information.**

- **Among “Non-players”, only demographic information was collected.**

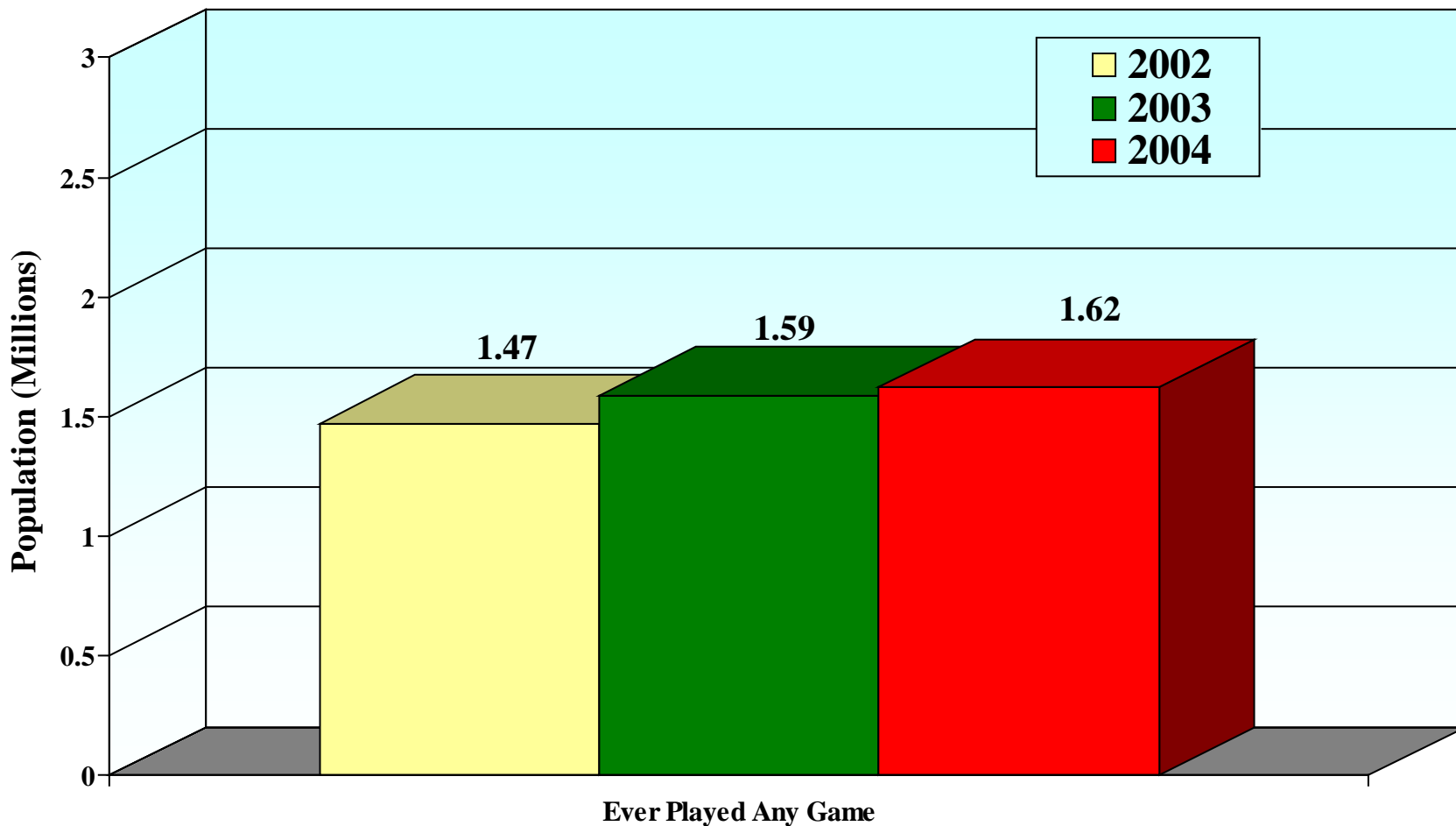
DEFINITIONS

◆ DYNAMICS OF LOTTERY PLAY

- Players have been categorized based on their frequency of play of any South Carolina Education Lottery game:
 - “Frequent” – Purchase tickets for any game more than once a week
 - “Regular” – Purchase tickets for any game about once a week
 - “Occasional” – Purchase tickets one to three times a month
 - “Infrequent” – Purchase tickets for any game less than once a month

GENERAL LOTTERY – 18+ Population Ever Played

- In 2004, among the 3 million (18+) adult population in South Carolina, 1.62 million have ever played the Lottery (54%).



LOTTERY PLAYER BASE (among all SC residents)

- ◆ **54% play the Lottery in 2004, a significant increase from 2002 (49%).**
- ◆ **39% of state have played Instant Scratch and Powerball**
 - **Powerball's penetration, grew significantly from 26% to 39% between November 2002 and September 2004.**
- ◆ **The percentage that has “ever played” all games has remained constant between 2003 and 2004.**

Ever Purchased S.C. Education Lottery game tickets (among all SC residents)			
	2004	2003	2002
Total Base	1501	1250	1245
Any Game	54%	53%	49%
Scratch Tickets	39%	39%	42%
Powerball	39%	38%	26%
Carolina 5	14%	15%	15%
Pick 3	14%	14%	16%
Pick 4	7%	5%	NA

LOTTERY PLAYER BASE (among SC Lottery Players)

- ◆ **74% of “Players” have purchased Instant Scratch and Powerball in 2004.**
 - **Powerball base grew significantly from 2002 (53%) to 2004 (74%).**
 - **The Instant Scratch player base is flat. Percentage of the total player base (74%) shows a decline from 2002 (85%).**
- ◆ **26% purchased Carolina 5 and Pick 3 and 14% purchased Pick 4.**
 - **The Pick 3 player base as a percentage of the total player base has declined significantly from 2002 (32%) to 2004 (26%).**

Ever Purchased S.C. Education Lottery game tickets (among SC Education Lottery "Players")			
	2004	2003	2002
Total Base	804	666	611
Any Game	100%	100%	100%
Scratch Tickets	74%	74%	85%
Powerball	74%	71%	53%
Carolina 5	26%	28%	30%
Pick 3	26%	27%	32%
Pick 4	14%	10%	NA

DEMOGRAPHIC PROFILE (1 of 3)

- The demographic profile of players and non-players for 2004 is consistent with 2003 and 2002.

		Demographic Profile					
		2004		2003		2002	
		Players	Non-Players	Players	Non-Players	Players	Non-Players
Base (Weighted)		805	696	666	584	611	634
Gender	Male	50%	47%	51%	46%	52%	45%
	Female	50%	53%	49%	55%	48%	55%
Age							
	18- 34	34%	31%	35%	30%	36%	26%
	35- 54	39%	39%	41%	36%	45%	35%
	55+	27%	30%	23%	34%	19%	38%
Ethnicity							
	Caucasian	65%	69%	62%	73%	61%	73%
	African American	29%	25%	35%	24%	36%	23%
	Other	6%	6%	3%	3%	3%	4%
Education							
	< HS Grad	10%	12%	8%	8%	9%	9%
	HS Grad/ GED	29%	25%	34%	32%	33%	29%
	Some College/ Tech	22%	18%	19%	14%	18%	12%
	2 Year Degree	13%	10%	12%	13%	14%	12%
	4 Year Degree	18%	23%	17%	18%	17%	23%
	5+ Yrs College	7%	13%	9%	14%	7%	14%
HH Income							
	< \$10,000	7%	9%	8%	9%	8%	7%
	\$10 to < \$20,000	12%	8%	11%	8%	12%	8%
	\$20 to < \$30,000	14%	10%	14%	10%	13%	10%
	\$30 to < \$40,000	11%	10%	13%	11%	13%	9%
	\$40 to < \$50,000	7%	8%	9%	8%	9%	9%
	\$50 to < \$60,000	11%	14%	8%	7%	8%	7%
	\$60 to < \$70,000	6%	7%	4%	4%	4%	6%
	\$70 to < \$80,000	5%	4%	4%	4%	3%	4%
	\$80,000 or More	15%	12%	12%	13%	13%	13%
	Refused	12%	19%	17%	26%	17%	27%

DEMOGRAPHIC PROFILE (2 of 3)

Demographic Profile							
		2004		2003		2002	
		Players	Non-Players	Players	Non-Players	Players	Non-Players
Employment	Employed	67%	58%	63%	52%	67%	54%
	Not Employed	33%	41%	37%	47%	32%	45%
Type of Business/ Industry	Service	34%	28%	39%	36%	38%	NA
	Mfg.	20%	13%	18%	13%	21%	NA
	Govt	10%	16%	13%	18%	12%	NA
	Retail	6%	8%	11%	9%	9%	NA
	Professional	24%	28%	11%	12%	11%	NA
	Financial	3%	2%	4%	5%	4%	NA
	Other	3%	6%	3%	5%	5%	NA
Job Function	Man./ Prof.	42%	50%	38%	49%	42%	NA
	Service	10%	10%	18%	12%	15%	NA
	Oper./ Fab./ Laborer	23%	16%	18%	14%	18%	NA
	Tech./ Sales/ Support	20%	17%	18%	18%	20%	NA
	Prec. Production	4%	2%	2%	2%	6%	NA
	Other	2%	6%	4%	3%	1%	NA
Number of Hours Worked Per Week	< 10	1%	2%	2%	3%	1%	2%
	10 to 14	2%	3%	1%	3%	1%	2%
	15 to 20	3%	3%	5%	3%	3%	5%
	21 to 30	7%	8%	7%	8%	4%	6%
	31 to 37	6%	6%	6%	7%	8%	4%
	38 to 40	39%	32%	29%	24%	35%	32%
	40+	41%	44%	51%	51%	47%	47%

DEMOGRAPHIC PROFILE (3 of 3)

Demographic Profile

		2004		2003		2002	
		Players	Non-Players	Players	Non-Players	Players	Non-Players
Marital Status	Married	52%	58%	54%	61%	51%	61%
	Single	27%	22%	31%	24%	31%	21%
	Widowed/ Divorced/ Separated	20%	18%	15%	14%	17%	17%
Household Size	1	20%	17%	16%	15%	18%	18%
	2 to 3	54%	53%	53%	56%	54%	58%
	4 to 5	23%	27%	29%	24%	26%	21%
	6 or More	3%	4%	3%	4%	4%	3%
Children under 18	None	58%	61%	NA	NA	NA	NA
	1	18%	16%	NA	NA	NA	NA
	2	15%	15%	NA	NA	NA	NA
	3 to 4	8%	8%	NA	NA	NA	NA
	5 to 6	0%	1%	NA	NA	NA	NA
	7 or More	0%	0%	NA	NA	NA	NA
Area Code	803	42%	38%	36%	35%	35%	36%
	843	37%	37%	36%	32%	36%	31%
	864	22%	27%	28%	33%	29%	33%

LOTTERY PLAYER PROFILE – Demographics of Games

- ◆ **Pick 3, Pick 4 and to some extent Carolina 5 players, are more likely to be skewed toward 55+, Non-White, lower educated and have lower HH income than the overall player base.**
- ◆ **Demographic profiles of Instant Scratch and Powerball players are representative of the total player base.**

		EVER PLAYED EACH GAME					
		Total Players	Total Instant	Total Pick 3	Total Pick 4	Total Carolina 5	Total Powerball
		805	591	207	112	207	592
Respondent Gender	Male	50%	45%	44%	45%	49%	53%
	Female	50%	55%	56%	55%	51%	47%
Age	18-34	34%	38%	28%	22%	24%	29%
	35-54	39%	37%	36%	41%	42%	42%
	55+	27%	25%	36%	37%	34%	29%
Race	White	65%	60%	34%	31%	53%	69%
	Non-White	35%	40%	66%	69%	47%	31%
Education	HS or Less	40%	44%	52%	52%	45%	37%
	Assoc/ Bachelor's	53%	49%	40%	40%	49%	55%
	Post-Grad.	7%	6%	6%	7%	5%	7%
Income	< \$30K	32%	37%	49%	46%	39%	29%
	\$30K - under \$60K	29%	29%	23%	31%	31%	30%
	\$60K+	26%	22%	16%	12%	20%	29%

Q1,5,9,15,21,27

LOTTERY PLAYER PROFILE

◆ Significant increase in play from 2002-2004 among:

- Females (53% vs. 46%),
- 55+ (51% vs. 33%),
- Caucasian (52% vs. 44%),
- 803 area code (57% vs. 48%).

◆ No significant differences in demographics from 2003 to 2004.

◆ In 2004, significant lower incidence of play among:

- Advanced degrees (38%)
- HH income <\$10,000 (46%)
- 864 area code (49%)

% Ever Played (Incidence) By Demographics

		2004	2003	2002
Gender	Male	55%	56%	53%
	Female	53%	51%	46%

Age	18- 34	56%	57%	57%
	35- 54	54%	57%	55%
	55+	51%	44%	33%

Ethnicity	Caucasian	52%	49%	44%
	African American	57%	62%	60%
	Other	53%	59%	46%

Education	< HS Grad	49%	56%	49%
	HS Grad/ GED	58%	54%	53%
	Some College/ Tech	59%	60%	58%
	2 Year Degree	60%	50%	54%
	4 Year Degree	48%	53%	41%
	Advanced Courses	43%	43%	47%
	Advanced Degree(s)	38%	43%	31%

HH Income	< \$10,000	46%	50%	51%
	\$10 to < \$20,000	64%	61%	58%
	\$20 to < \$30,000	61%	61%	57%
	\$30 to < \$40,000	57%	59%	59%
	\$40 to < \$50,000	48%	55%	50%
	\$50 to < \$60,000	50%	59%	54%
	\$60 to < \$70,000	50%	51%	41%
	\$70 to < \$80,000	60%	54%	46%
	\$80,000 or More	59%	50%	48%

Area Code	803	57%	55%	48%
	843	54%	56%	54%
	864	49%	49%	45%



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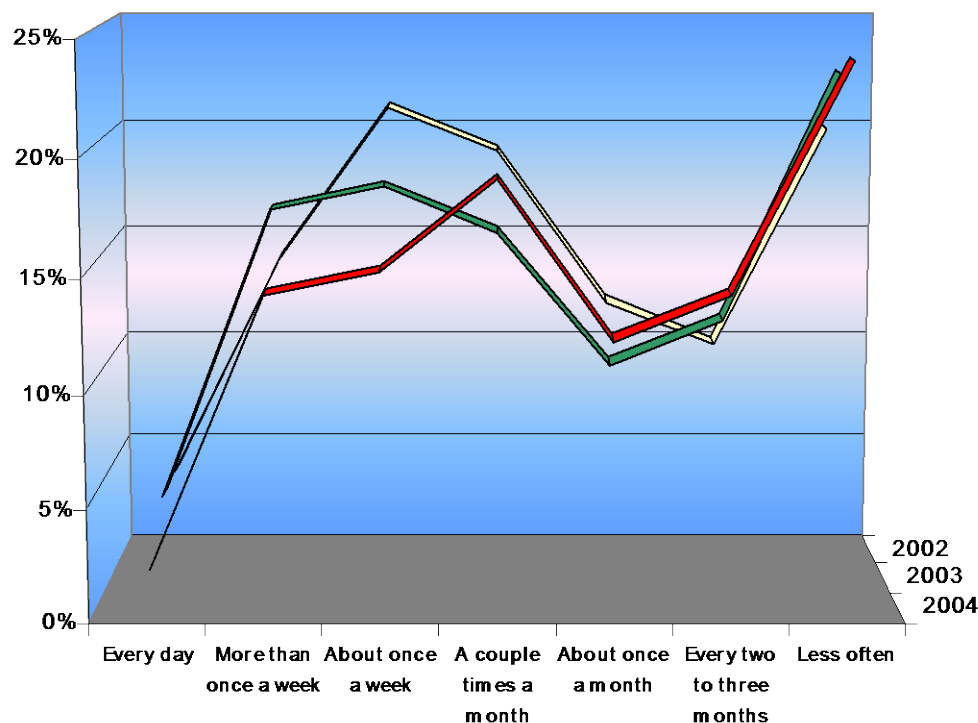
GENERAL LOTTERY PLAY BEHAVIOR

GENERAL LOTTERY – Frequency of Play

- Lottery play has shown a downward trend due to the growth of player base among “infrequent” Powerball players.

□ In 2004, 31% 1+/wk, 31% 1-3 /Mo, and 38% < 1/Mo.

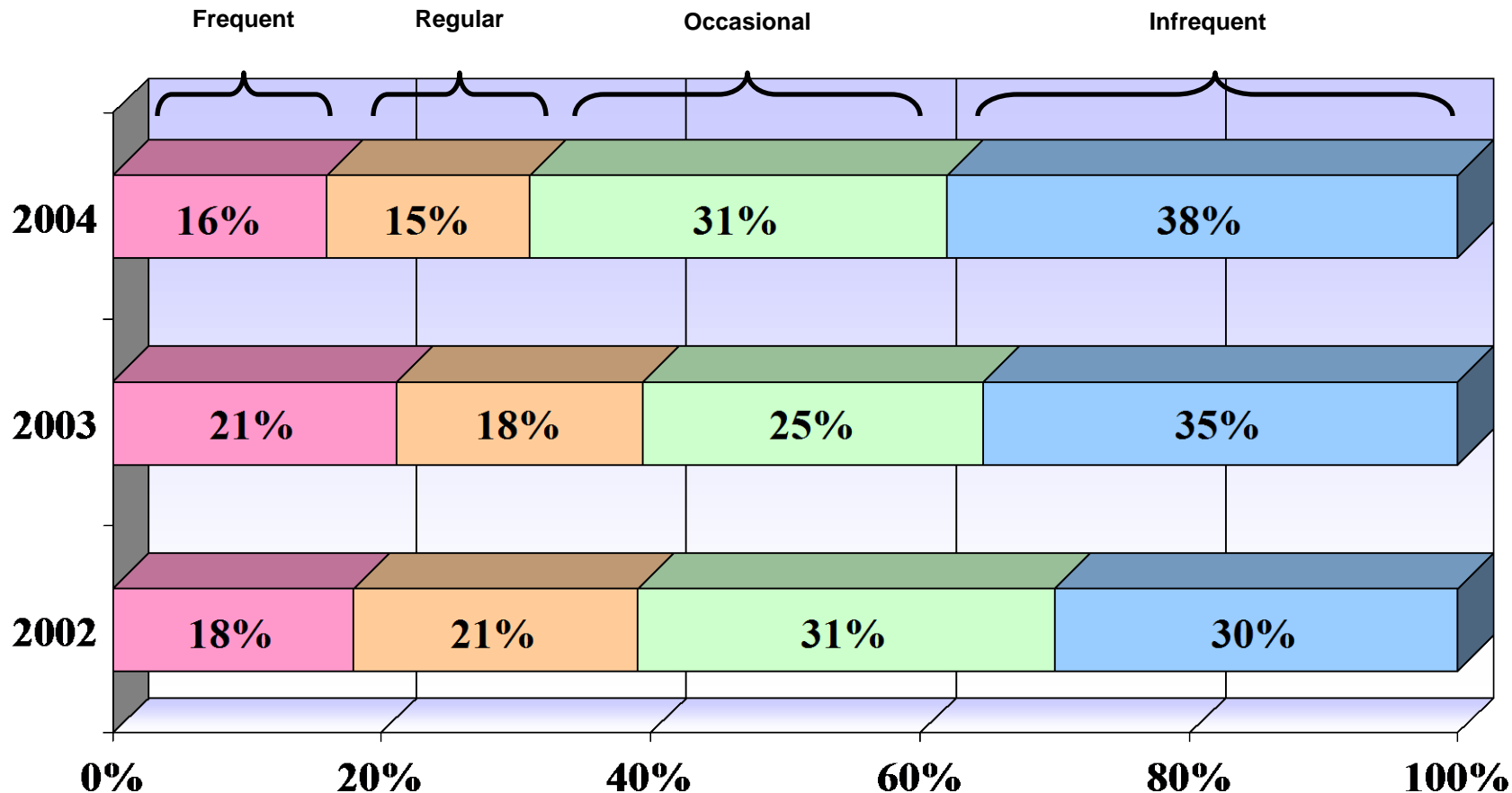
General Lottery Play Frequency



	Every day	More than once a week	About once a week	A couple times a month	About once a month	Every two to three months	Less often
2004	2%	14%	15%	19%	12%	14%	24%
2003	4%	17%	18%	16%	10%	12%	23%
2002	4%	14%	21%	19%	12%	10%	20%

GENERAL LOTTERY – Frequency of Play

- Player base is shifting towards less frequent players
 - In 2004, over two-thirds (69%) of Lottery players are “Occasional” or “Infrequent” players, a significant increase relative to 2003 (60%) and 2002 (61%).



Frequent (more than once a week)
 Regular (about once a week)
 Occasional (1 to 3 times per month)
 Infrequent (less than once a month)

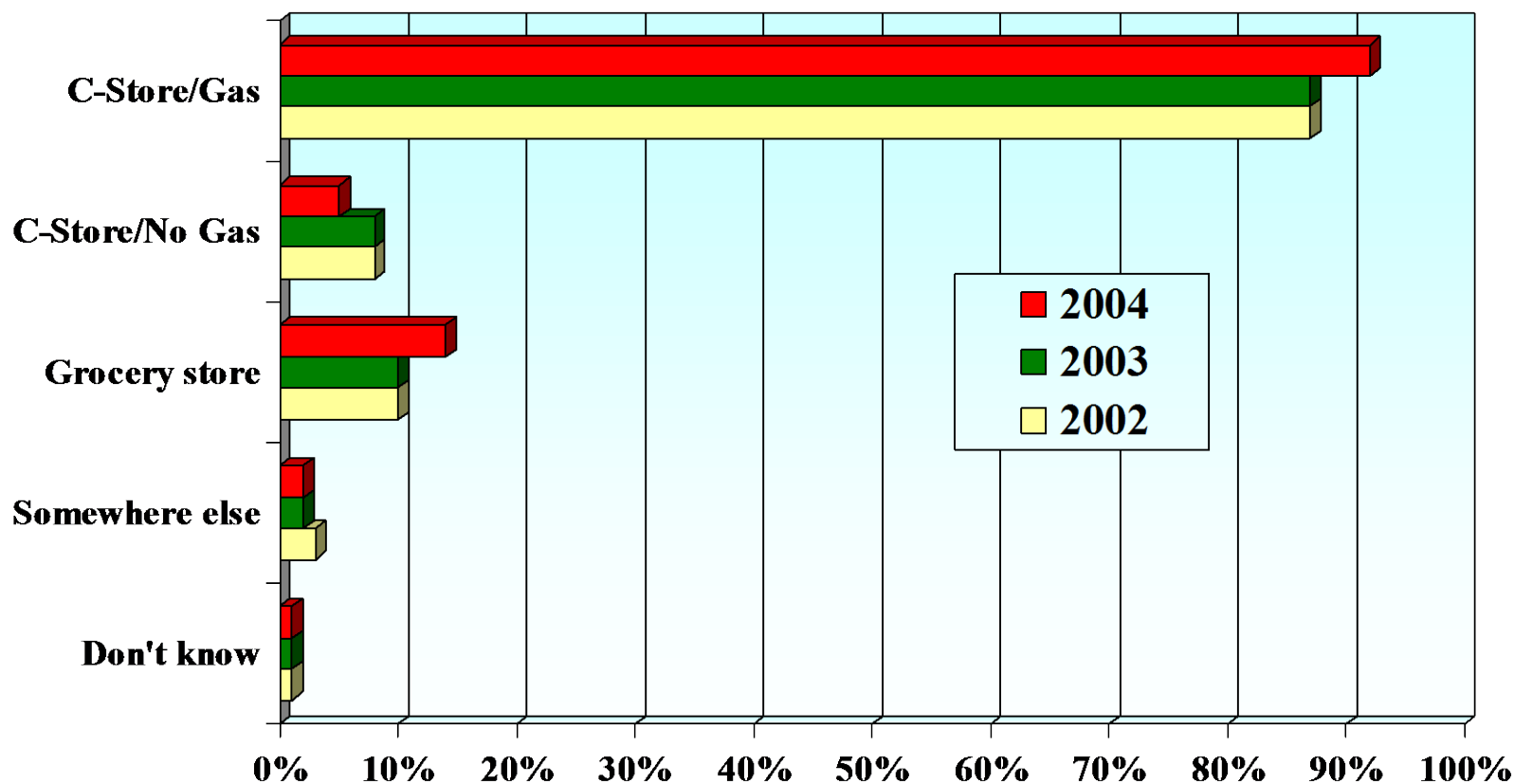
AVERAGE \$\$ SPENT PER LOTTERY PURCHASE

- In 2004, 71% of players spend between \$1 and \$5 per Lottery purchase. This is consistent with previous years.

Q4. Average \$\$ Spent Per Lottery Purchase (among SC Education Lottery Players)			
	2004	2003	2002
Total Base	462	666	611
\$1	20%	18%	19%
\$2	13%	17%	16%
\$3	8%	7%	8%
\$4 to \$5	30%	28%	30%
\$6 to \$10	20%	19%	18%
\$11 to \$20	7%	8%	8%
\$21 to \$50	3%	4%	2%
More than \$50	0%	0%	1%

WHERE USUALLY PURCHASE TICKETS (multiple response)

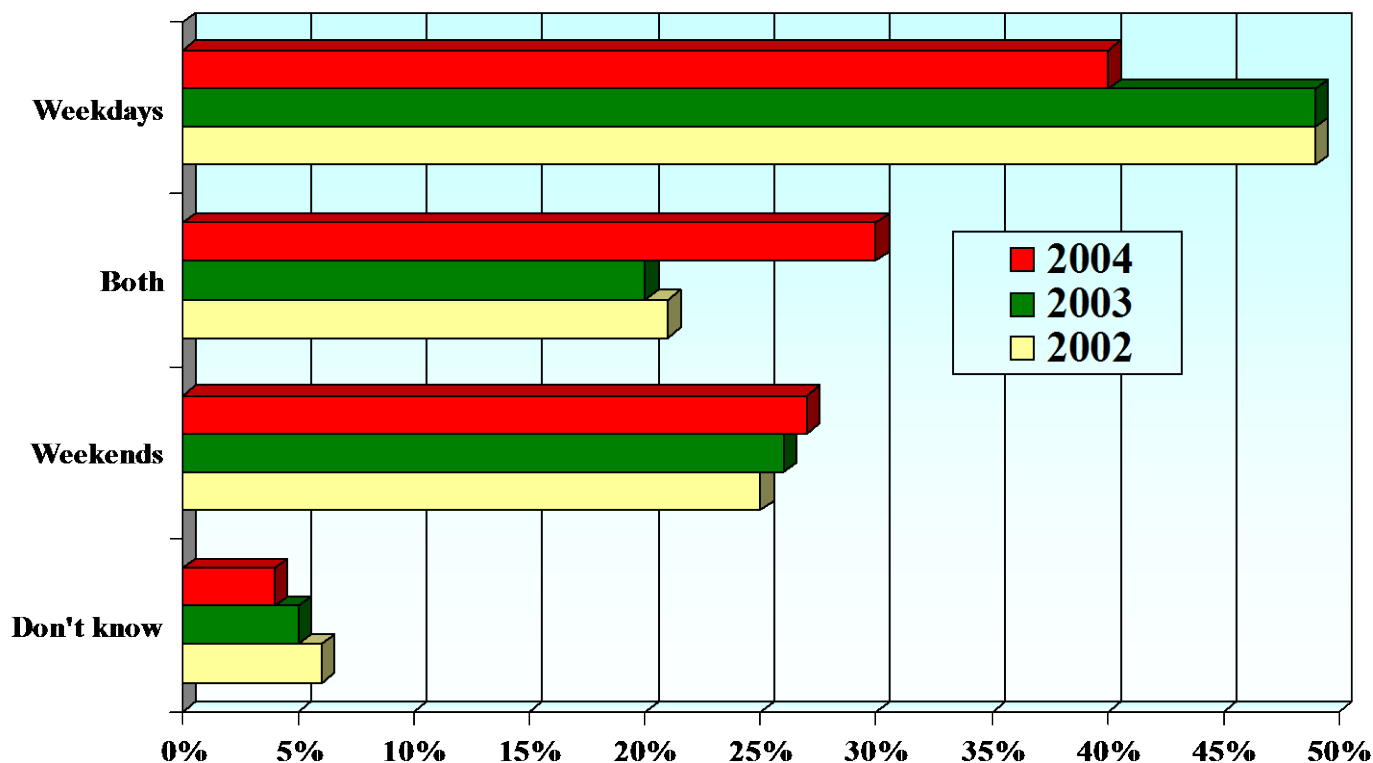
- In 2004, the overwhelming majority (92%) of players usually purchase their Lottery tickets at a convenience store that sells gas, a significant increase relative to 2003 and 2002 (both 87%).



	Don't know	Somewhere else	Grocery store	C-Store/No Gas	C-Store/Gas
2004	1%	2%	14%	5%	92%
2003	1%	2%	10%	8%	87%
2002	1%	3%	10%	8%	87%

WHEN USUALLY PURCHASE TICKETS

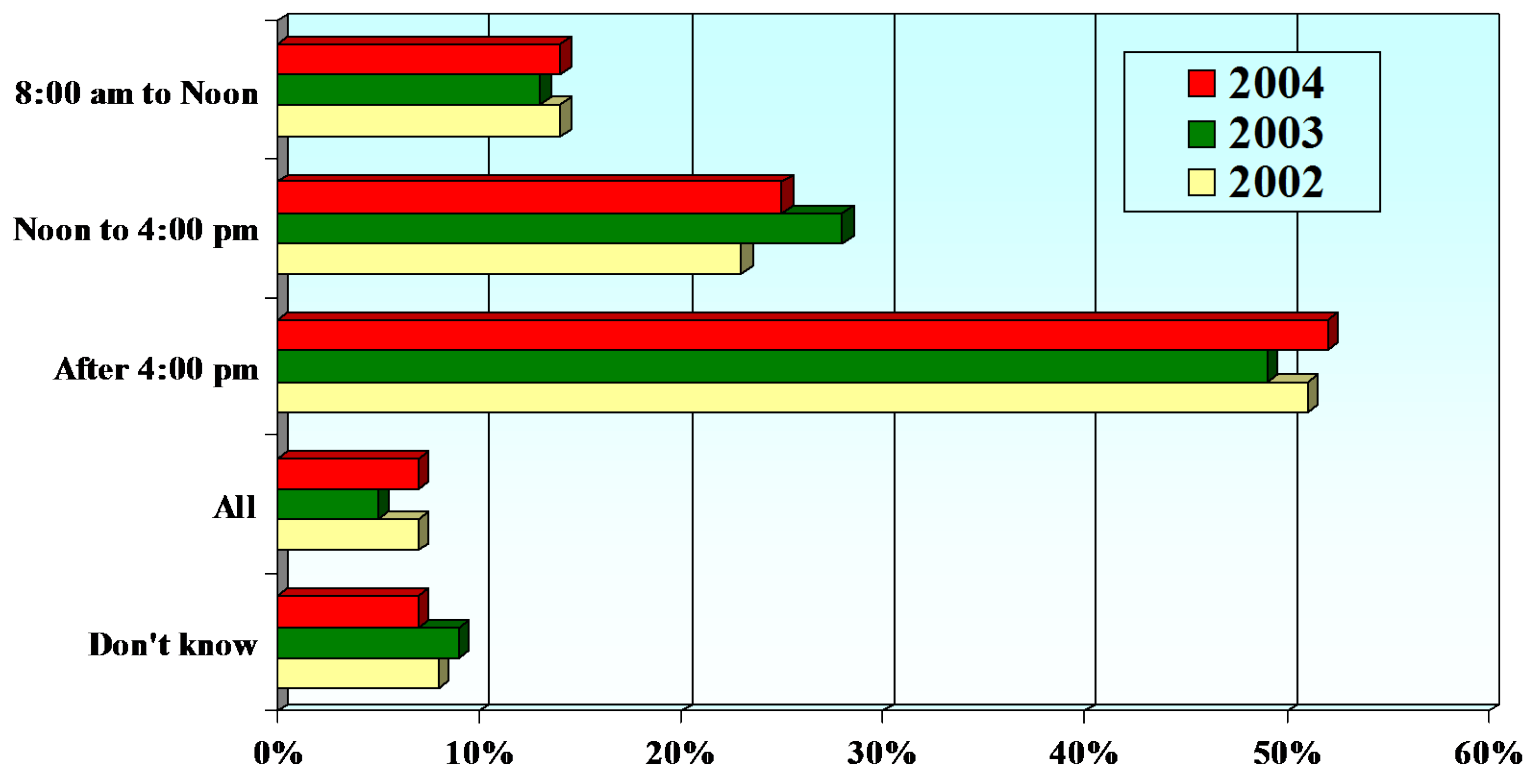
- In 2004, about a third (30%) of players now purchase their tickets on BOTH weekdays and weekends, a significant increase relative to 2003 (21%) and 2002 (20%).
- Conversely, 40% of players usually purchase their Lottery tickets on weekdays, a significant decline relative to 2003 and 2002 (both 49%).



	Don't know	Weekends	Both	Weekdays
2004	4%	27%	30%	40%
2003	5%	26%	20%	49%
2002	6%	25%	21%	49%

WHEN USUALLY PURCHASE TICKETS (multiple response)

- In 2004, more than half (52%) of players usually purchase their Lottery tickets after 4:00pm. There are no significant differences relative to previous years.



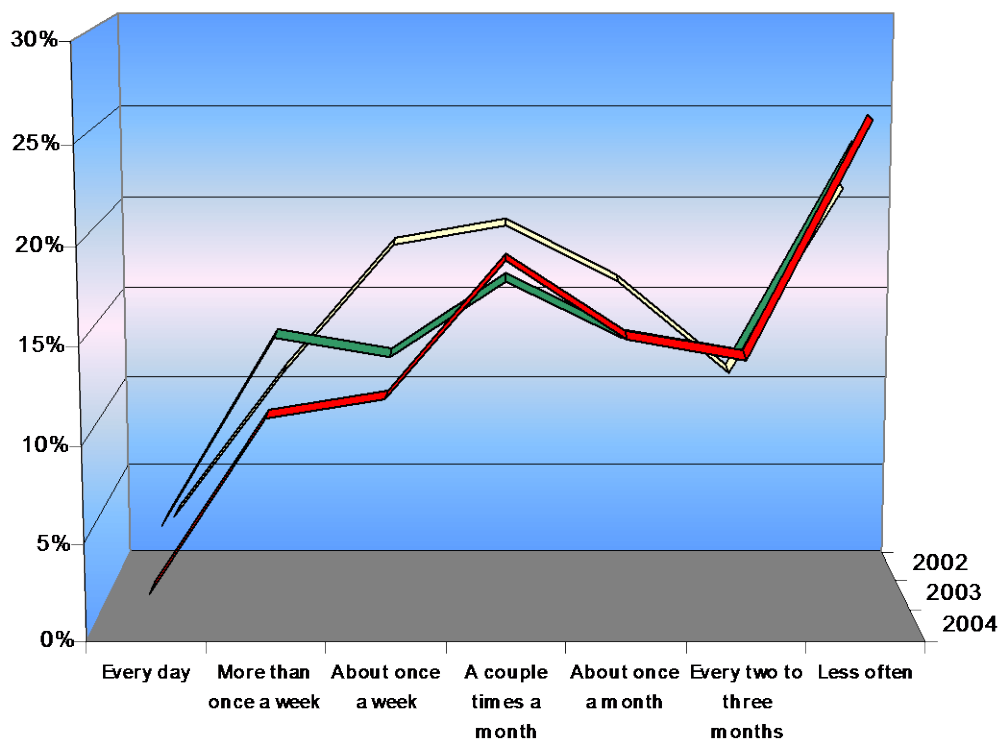
	Don't know	All	After 4:00 pm	Noon to 4:00 pm	8:00 am to Noon
2004	7%	7%	52%	25%	14%
2003	9%	5%	49%	28%	13%
2002	8%	7%	51%	23%	14%

INSTANT SCRATCH

INSTANT SCRATCH – Frequency of Play

- In 2004, 25% play once/week+, 34% 1-3/month, 40% less than once/month.
- Significant decline in player frequency

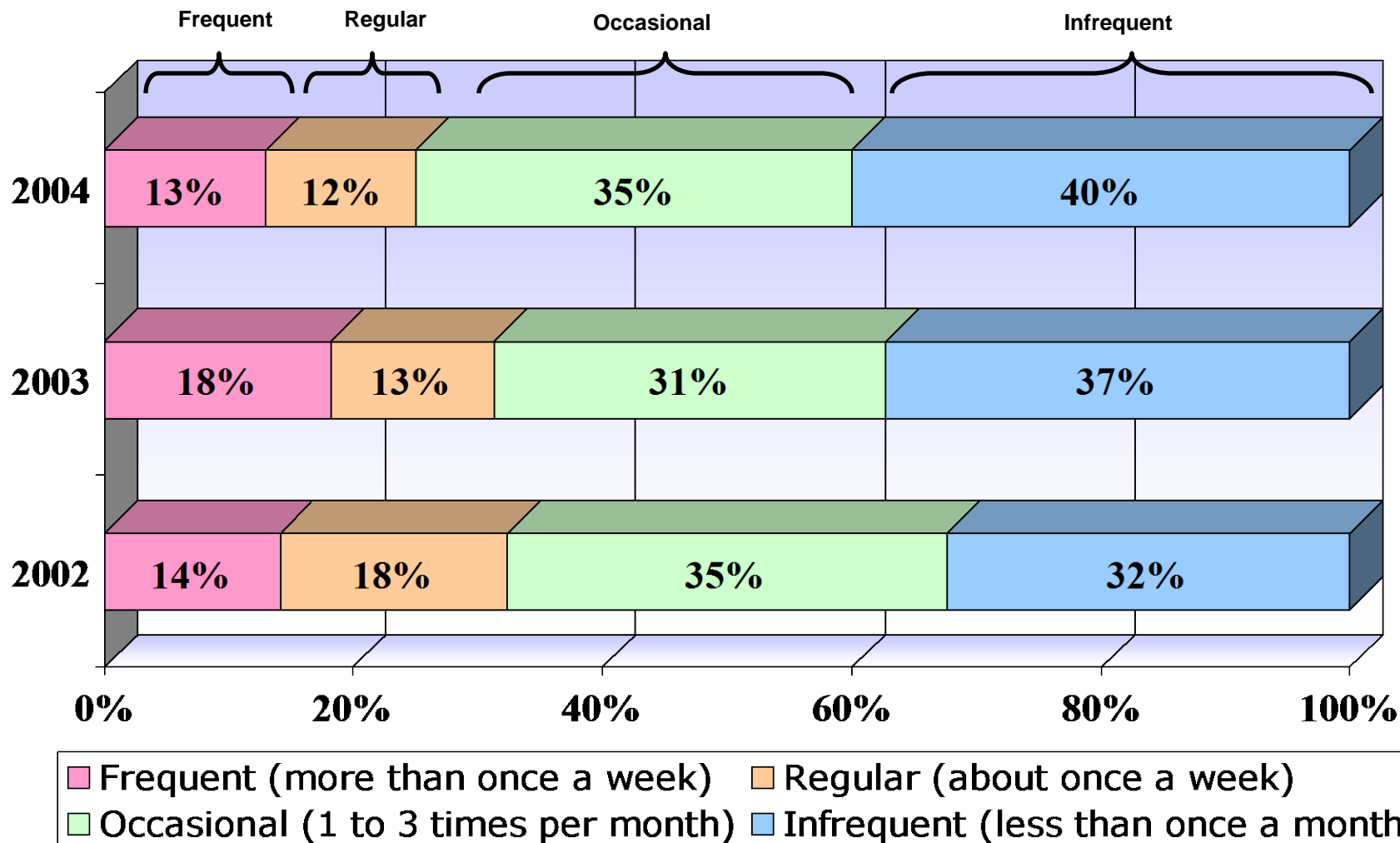
Instant Scratch Play Frequency



	Every day	More than once a week	About once a week	A couple times a month	About once a month	Every two to three months	Less often
■ 2004	2%	11%	12%	19%	15%	14%	26%
■ 2003	4%	14%	13%	17%	14%	13%	24%
■ 2002	3%	11%	18%	19%	16%	11%	21%

INSTANT SCRATCH – Frequency of Play

- In 2004, three-quarters (75%) of Instant Scratch players are “Occasional” or “Infrequent” players, a significant increase relative to 2003 (68%) and 2002 (67%).



INSTANT SCRATCH - Number of tickets purchased each time

- In 2004, average 3.5 tickets each time, declined from 2003 (3.8) and 2002 (3.9).
 - 39% “Infrequent” purchase only 1 ticket each time they play.
 - 19% of “Frequent” purchase 6-10 tickets each time they play.

Q7. Number of Scratch Tickets Purchased Each Time (mean, among those who play Scratch Tickets)			
	2004	2003	2002
Total Base	514	493	519
Mean Number of Tickets	3.5	3.8	3.9

2004 # of Scratch tickets purchased EACH TIME

	Total Players	Total Instant	Frequent	Regular	Occasional	Infrequent
Total Base	512	512	64	62	181	204
1	25%	25%	11%	19%	16%	39%
2	29%	29%	26%	28%	31%	27%
3	16%	16%	22%	18%	16%	14%
4 - 5	22%	22%	19%	25%	27%	17%
6 - 10	7%	7%	19%	9%	7%	3%
11 - 20	2%	2%	1%	2%	2%	1%
21 - 50	0%	0%	-	-	1%	-
51 +	0%	0%	2%	-	-	-
Mean #	3.5	3.5	5.2	3.6	3.9	2.5

INSTANT SCRATCH - Estimated \$\$ SPENT per Month

- In 2004, Instant Scratch players spend an average of \$14 on Scratch tickets per month. *
- 79% of “Infrequent” players spend \$1-\$5 on Scratch tickets per month.
- 74% of “Frequent” players spend \$11 or more per month.

Q8. Average \$\$ Spent on Scratch Tickets Per Month (mean, among those who play Scratch Tickets)			
	2004	2003	2002
Total Base	356	493	519
Mean \$\$ Spent	\$14	\$21	\$15

2004 Amount spent on SCRATCH tickets per MONTH

	Total Players	Total Instant	Frequent	Regular	Occasional	Infrequent
Total Base	323	323	40	42	113	128
1	15%	15%	2%	-	4%	35%
2	12%	12%	7%	5%	10%	19%
3	4%	4%	2%	-	5%	5%
\$4-5	15%	15%	5%	7%	16%	20%
\$6-10	22%	22%	9%	12%	43%	10%
\$11-20	16%	16%	30%	33%	16%	7%
\$21-50	11%	11%	26%	33%	6%	3%
\$51+	4%	4%	18%	10%	1%	1%
Mean \$\$ spent	\$14	\$14	\$38	\$28	\$10	\$6

Q8

*Note: 2004 Mean \$\$ Spent shows a significant decline from 2003 (\$21); however 2003 data may include spurious data, i.e. a very large range could have increased the mean.

Demographic Profiles based on Frequency of Play

- “Frequent” Instant Scratch players are more likely to be Non-White and Less Educated (HS or less).

2004 Frequency of Scratch play

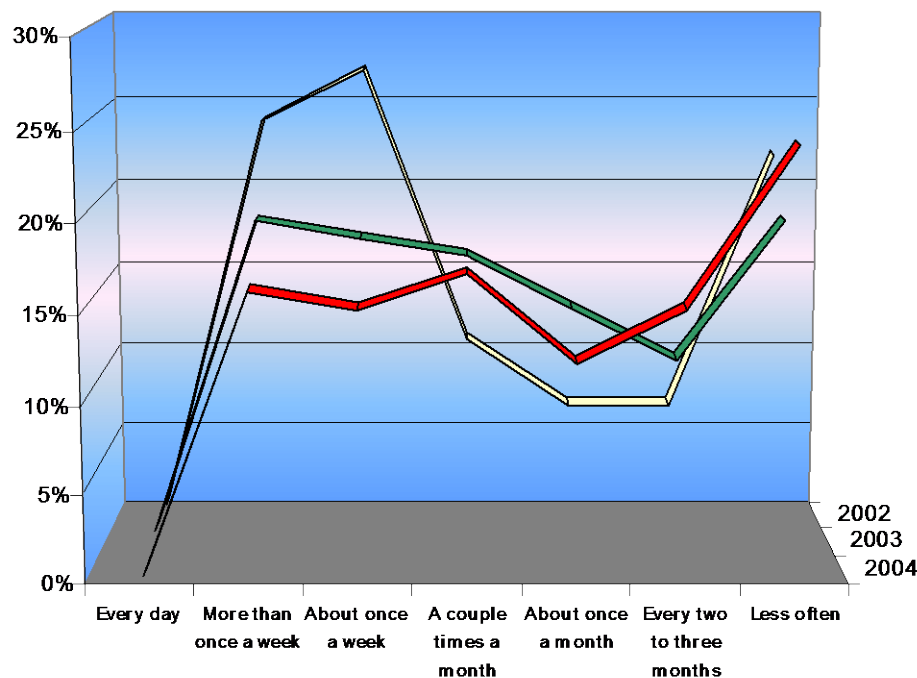
		Total Players	Total Instant	Frequent	Regular	Occasional	Infrequent
	Total Base	805	591	78	70	204	236
Respondent Gender	Male	50%	45%	51%	51%	42%	45%
	Female	50%	55%	49%	49%	58%	55%
Age	18-34	34%	38%	33%	45%	37%	39%
	35-54	39%	37%	42%	36%	35%	37%
	55+	27%	25%	25%	19%	29%	24%
Race	White	65%	60%	41%	50%	62%	66%
	Non-White	35%	40%	59%	50%	38%	34%
Education	HS or Less	40%	44%	60%	58%	39%	39%
	Assoc/ Bachelor's	53%	49%	34%	37%	54%	54%
	Post-Grad.	7%	6%	5%	5%	6%	7%
Income	< \$30K	32%	37%	45%	37%	40%	33%
	\$30K - under \$60K	29%	29%	32%	35%	28%	28%
	\$60K+	26%	22%	12%	15%	21%	28%

POWERBALL

POWERBALL – Frequency of Play

- In 2004, 31% 1+/wk, 29% 1-3 /Mo, and 39% < 1/Mo.
 - Significant 1+/wk decline relative to 2003 (38%) and 2002 (52%).
 - Significant < 1/Mo increase relative to 2003 (30%) and 2002 (29%)

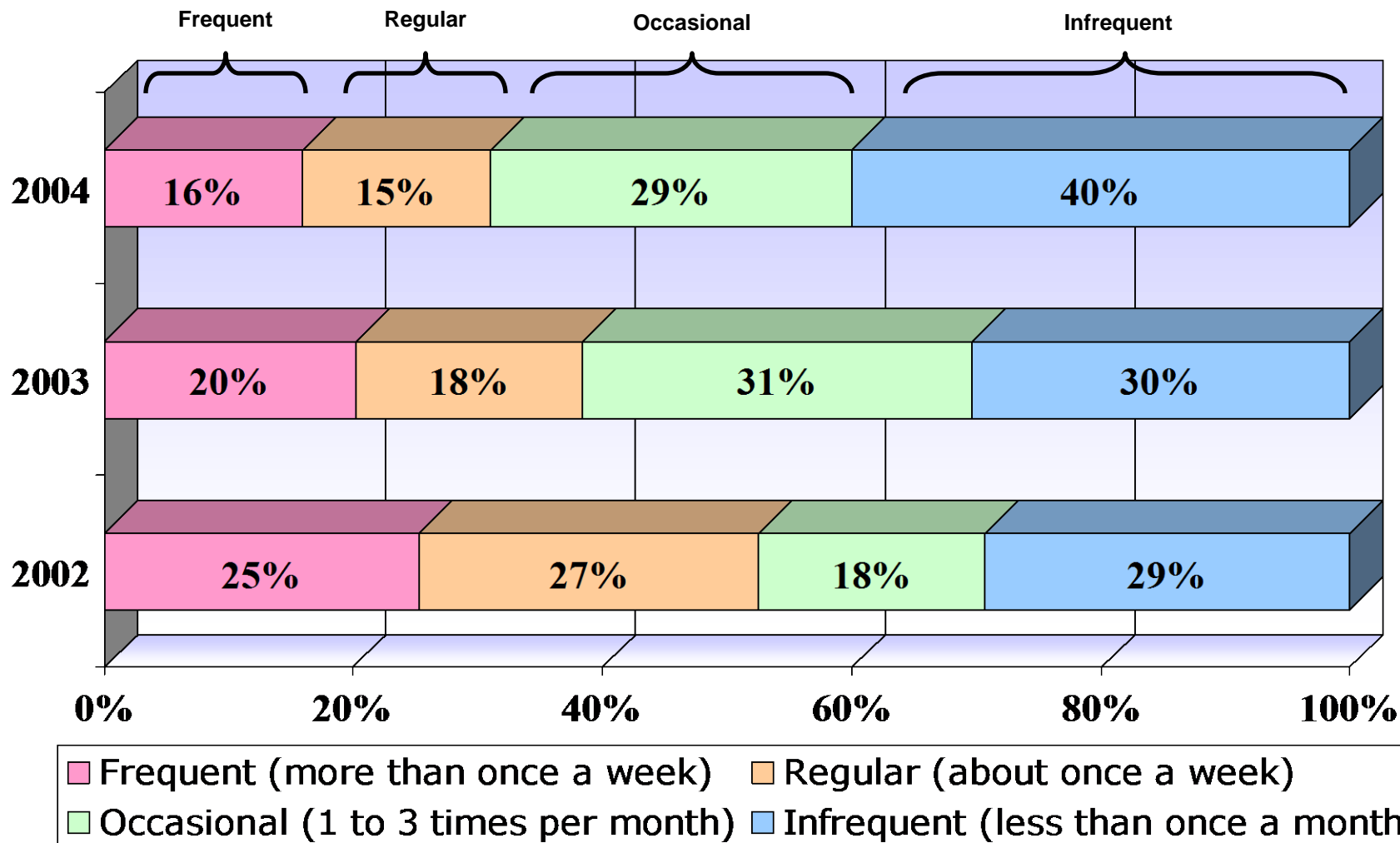
Powerball Play Frequency



	Every day	More than once a week	About once a week	A couple times a month	About once a month	Every two to three months	Less often
2004	0%	16%	15%	17%	12%	15%	24%
2003	1%	19%	18%	17%	14%	11%	19%
2002	1%	24%	27%	11%	7%	7%	22%

POWERBALL – Frequency of Play

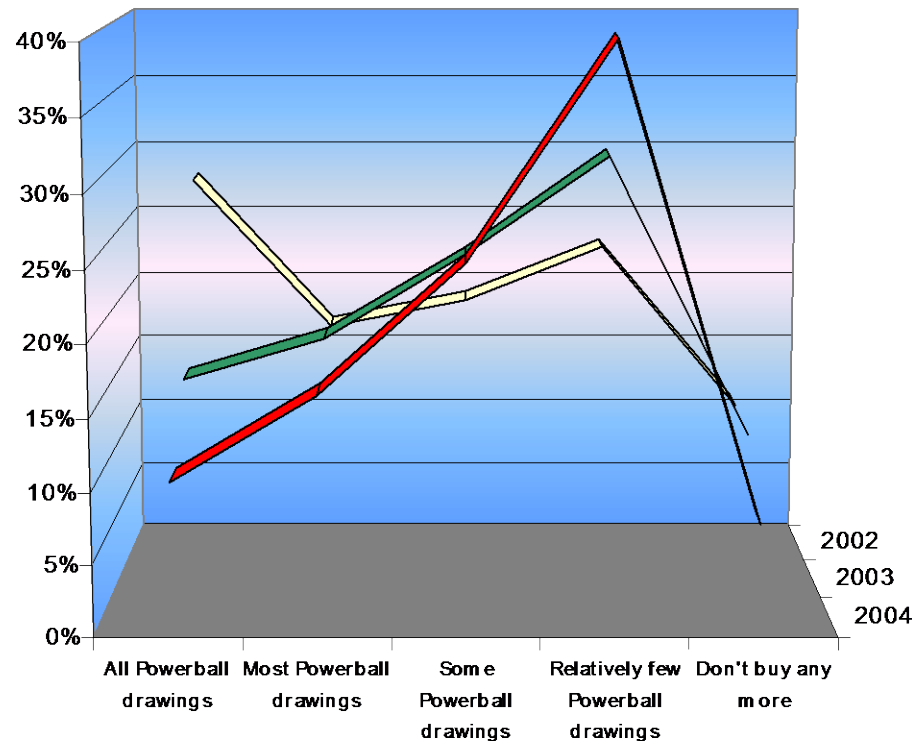
- In 2004, over two-thirds (69%) of Powerball players are “Occasional” or “Infrequent” players, a significant increase relative to 2003 (61%) and 2002 (47%).



POWERBALL – Participation in Drawings

- In 2004, almost two-thirds (65%) of Powerball players buy tickets for either “some” or “relatively few” Powerball drawings, a significant increase relative to 2003 (55%) and 2002 (42%).

Powerball Play Frequency

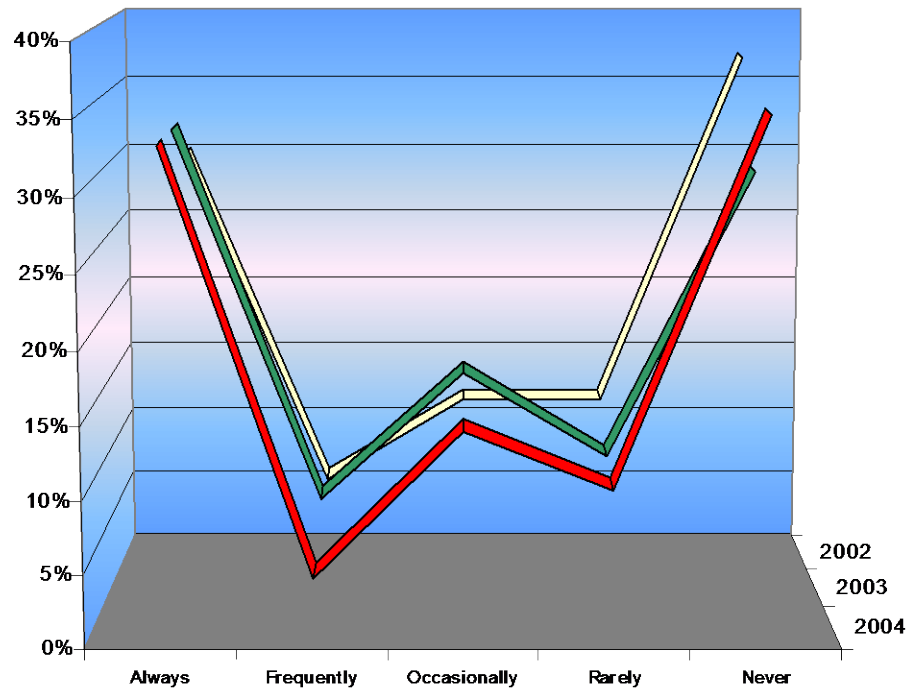


	All Powerball drawings	Most Powerball drawings	Some Powerball drawings	Relatively few Powerball drawings	Don't buy any more
2004	10%	16%	25%	40%	7%
2003	15%	18%	24%	31%	11%
2002	28%	17%	19%	23%	11%

Frequency of Taking Advantage of Power Play Multiplier Option

- In 2004, 37% of Powerball players say they *always* (33%) or *frequently* (4%) take advantage of the Power Play option.
- Thirty five percent (35%) say they *never* do.

Power Play Multiplier Option



	Always	Frequently	Occasionally	Rarely	Never
2004	33%	4%	14%	10%	35%
2003	33%	7%	16%	10%	30%
2002	30%	6%	12%	12%	37%

POWERBALL - Number of tickets purchased each time

- In 2004, Powerball players purchase an average of 3.6 tickets each time they play which has increased slightly from 2003 (3.4) and increased significantly from 2002 (2.7).

- 51% of “Infrequent” Powerball players buy just 1 ticket each time they play.
- 16% of “Frequent” Powerball players buy 6-10 tickets each time they play.

Q29. Number of Powerball Tickets Purchased Each Time (mean, among those who play Powerball)			
	2004	2003	2002
Total Base	550	475	325
Mean Number of Tickets	3.6	3.4	2.7

2004 # of POWERBALL tickets purchased EACH TIME

	Total Players	Total Powerball	Frequent	Regular	Occasional	Infrequent
Total Base	549	549	88	80	161	216
1	40%	40%	24%	36%	37%	51%
2	22%	22%	23%	20%	24%	20%
3	8%	8%	11%	11%	10%	4%
4-5	23%	23%	23%	26%	26%	19%
6-10	6%	6%	16%	7%	3%	5%
11-20	0%	0%	-	-	1%	0%
21-50	0%	0%	1%	-	-	0%
51+	1%	1%	1%	-	1%	1%
Mean #	3.6	3.6	5.2	3.0	3.5	3.2

POWERBALL - Estimated \$\$ SPENT per Month

- In 2004, Powerball players spend \$16 on Powerball per month. *
- 81% of “Infrequent” players spend \$1-\$5 on Powerball tickets per month.
- 78% of “Frequent” and 74% of “Regular” players spend \$11+ per month.

Q32. Average \$\$ Spent on Powerball Tickets Per Month (mean, among those who play Powerball)			
	2004	2003	2002
Total Base	368	475	325
Mean \$\$ Spent	\$16	\$20	\$20

2004 Amount spent on POWERBALL per MONTH

	Total Players	Total Powerball	Frequent	Regular	Occasional	Infrequent
Total Base	339	339	52	55	117	113
1	17%	17%	-	2%	8%	41%
2	12%	12%	-	3%	15%	20%
3	3%	3%	-	-	-	9%
\$4-5	13%	13%	3%	7%	21%	11%
\$6-10	20%	20%	18%	14%	31%	14%
\$11-20	19%	19%	25%	43%	17%	5%
\$21-50	11%	11%	32%	22%	6%	1%
\$51+	5%	5%	21%	9%	1%	-
Mean \$\$ spent	\$16	\$16	\$40	\$27	\$10	\$4

Q32

*Note: 2004 Mean \$\$ Spent shows a significant decline from 2003 and 2002 (\$20); however 2003 and/or 2002 data may include spurious data, i.e. a very large range could have increased the mean.

Demographic Profiles based on Frequency of Play

- “Frequent” Powerball players are more likely to be Male.

2004 Frequency of Powerball play

		Total Players	Total Powerball	Frequent	Regular	Occasional	Infrequent
	Total Base	805	592	95	89	170	234
Respondent Gender	Male	50%	53%	63%	59%	54%	46%
	Female	50%	47%	37%	41%	46%	54%
Age	18-34	34%	29%	15%	31%	31%	32%
	35-54	39%	42%	50%	35%	44%	42%
	55+	27%	29%	35%	35%	25%	26%
Race	White	65%	69%	63%	69%	72%	71%
	Non- White	35%	31%	37%	31%	28%	29%
Education	HS or Less	40%	37%	41%	48%	32%	35%
	Assoc/ Bachelor's	53%	55%	46%	51%	60%	57%
	Post- Grad.	7%	7%	10%	1%	7%	8%
Income	< \$30K	32%	29%	25%	29%	31%	30%
	\$30K - under \$60K	29%	30%	34%	27%	27%	32%
	\$60K+	26%	29%	34%	30%	28%	27%

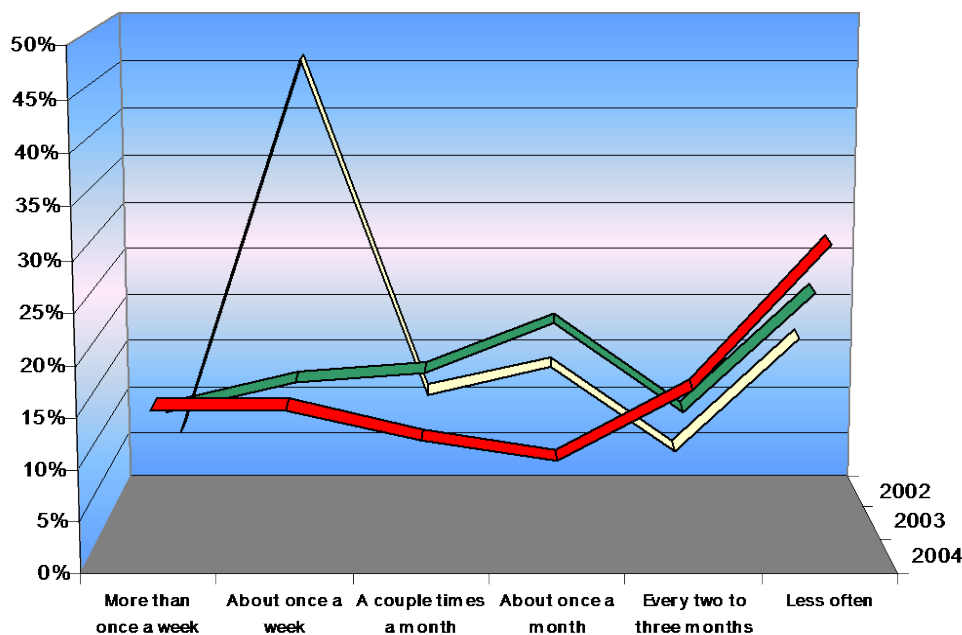
CAROLINA 5

CAROLINA 5 – Frequency of Play

◆ In 2004, 30% have played Carolina 5 one+/wk, 22% play 1-3 /mo, and 48% play less than once a month.

- Significant decline - Carolina 5 once a week compared to 2002 (53%).
- Significant decline – 1-3 per month relative to 2003 (37%).
- Significant increase - <1/mo relative to 2003 (36%) and 2002 (22%).

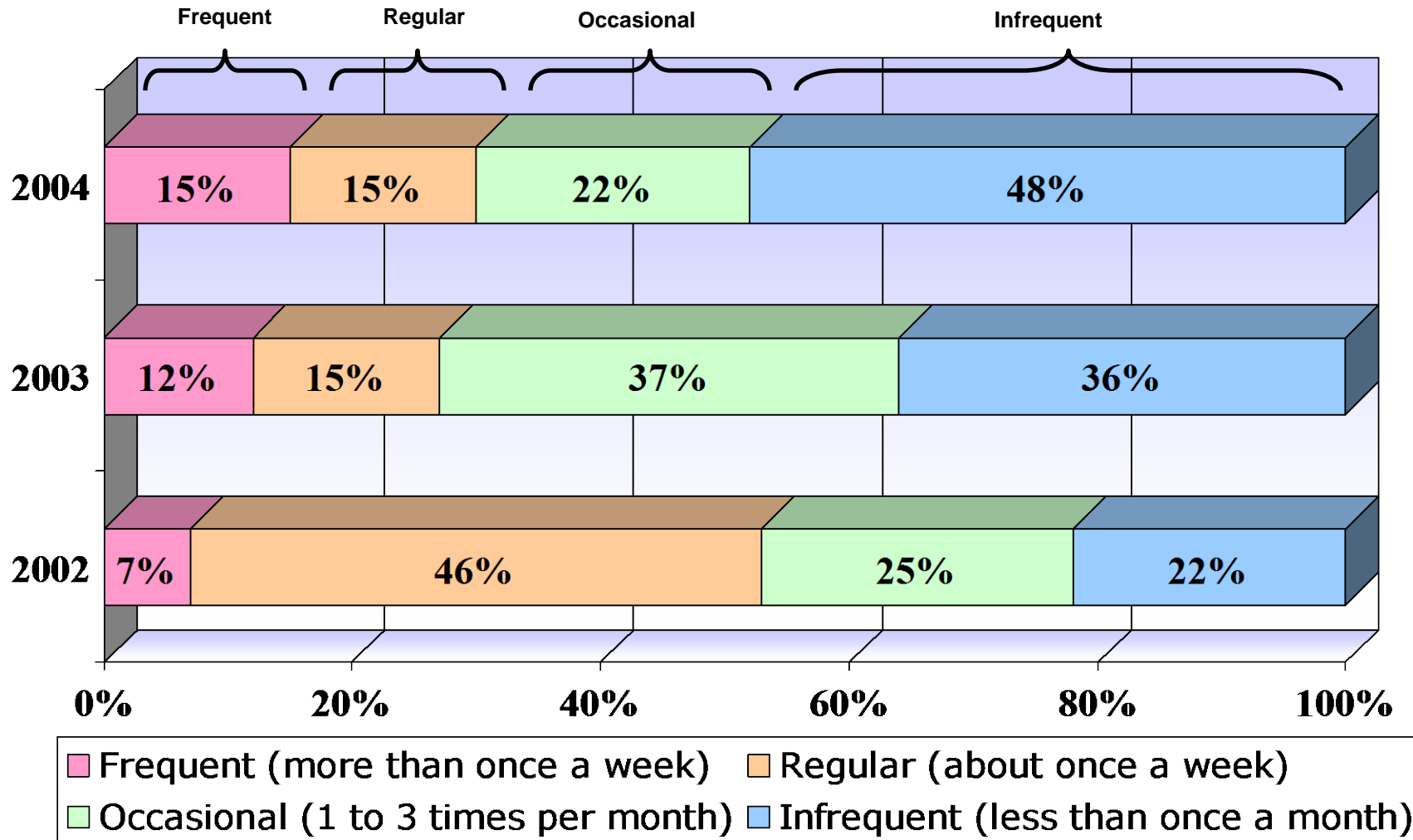
Carolina 5 Play Frequency



	More than once a week	About once a week	A couple times a month	About once a month	Every two to three months	Less often
2004	15%	15%	12%	10%	17%	31%
2003	12%	15%	16%	21%	12%	24%
2002	7%	46%	11%	14%	5%	17%

CAROLINA 5 – Frequency of Play

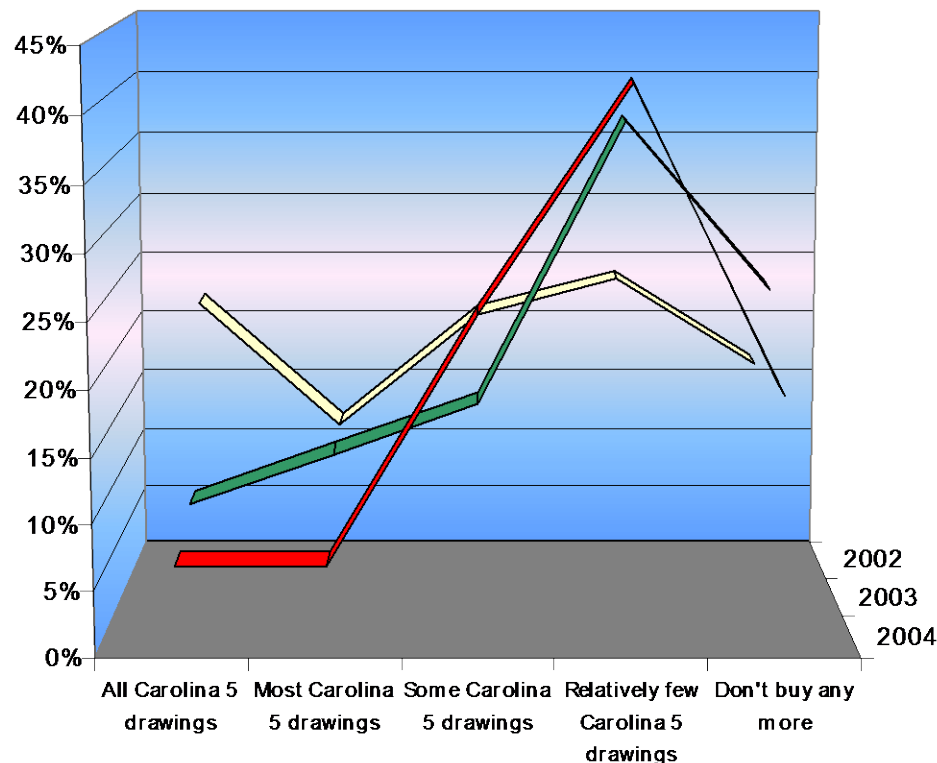
- In 2004, 70% of Carolina 5 players are “Occasional” or “Infrequent” players, a significant increase relative to 2002 (47%).



CAROLINA 5 – Participation in Drawings

- In 2004, two-thirds (67%) of Carolina 5 players buy tickets for either “some” or “relatively few” Carolina 5 drawings, a significant increase relative to 2003 (54%) and 2002 (45%).

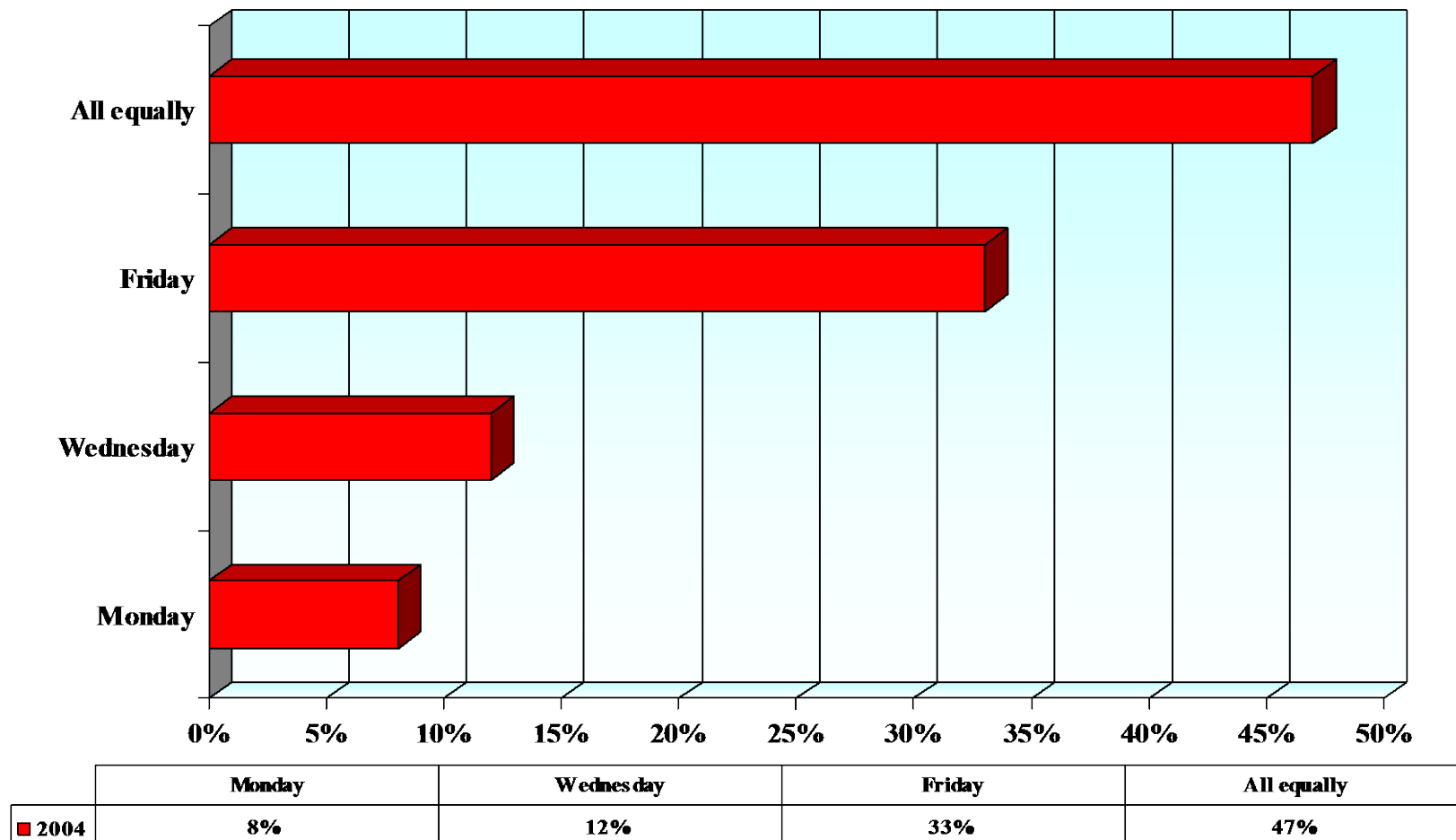
Carolina 5 Play Frequency



	All Carolina 5 drawings	Most Carolina 5 drawings	Some Carolina 5 drawings	Relatively few Carolina 5 drawings	Don't buy any more
2004	6%	6%	25%	42%	19%
2003	8%	12%	16%	38%	25%
2002	22%	12%	21%	24%	17%

WHEN USUALLY PURCHASE CAROLINA 5 TICKETS

- In 2004, almost half (47%) of Carolina 5 players are likely to buy tickets for all the drawings equally.



CAROLINA 5 - Number of tickets purchased each time

- In 2004, Carolina 5 players purchase an average of 2.0 tickets each time - a decline from 2003 (2.5) and 2002 (2.6).
- Almost half (45%) of Carolina 5 players purchase only 1 ticket each time

Q23. Number of Carolina 5 Tickets Purchased Each Time (mean, among those who play Carolina 5)			
	2004	2003	2002
Total Base	192	187	185
Mean Number of Tickets	2.0	2.5	2.6

2004 # of CAROLINA 5 tickets purchased EACH TIME

	Total Players	Total Carolina 5	Frequent	Regular	Occasional	Infrequent
Total Base	104	64	14	10	12	26
1	49%	45%	50%	38%	49%	42%
2	32%	38%	43%	51%	33%	34%
3	4%	3%	-	-	-	8%
4 - 5	9%	7%	7%	12%	8%	4%
6 - 10	4%	5%	-	-	10%	8%
11 - 20	2%	2%	-	-	-	4%
21 - 50	-	-	-	-	-	-
51+	-	-	-	-	-	-
Mean #	2.0	2.0	1.5	1.9	2.3	2.2

CAROLINA 5 - Estimated \$\$ SPENT per Month

- In 2004, Carolina 5 players spend \$12 on Carolina 5 tickets per month.
 - 84% of “Infrequent” players spend \$1-\$5 on Carolina 5 tickets per month.
 - 80% of “Frequent” and 61% of “Regular” players spend \$11+ per month.

Q26. Average \$\$ Spent on Carolina 5 Tickets Per Month (mean, among those who play Carolina 5)			
	2004	2003	2002
Total Base	129	187	185
Mean \$\$ Spent	\$12	\$13	\$18

2004 Amount spent on CAROLINA 5 per MONTH

	Total Players	Total Carolina 5	Frequent	Regular	Occasional	Infrequent
Total Base	120	120	19	16	29	57
1	20%	20%	-	6%	19%	30%
2	14%	14%	5%	7%	10%	21%
3	4%	4%	-	-	3%	7%
\$4-5	18%	18%	-	14%	18%	26%
\$6-10	16%	16%	15%	12%	30%	11%
\$11-20	16%	16%	39%	41%	14%	3%
\$21-50	8%	8%	26%	14%	7%	2%
\$51+	3%	3%	15%	6%	-	-
Mean \$\$ spent	\$12	\$12	\$30	\$20	\$9	\$4

Q26

*Note: 2004 Mean \$\$ Spent shows a decline from 2002 (\$18); however 2002 data may include spurious data, i.e. a very large range could have increased the mean.

Demographic Profiles based on Frequency of Play

- “Frequent” Carolina 5 players are more likely to be Non-White.

2004 Frequency of Carolina 5 play

		Total Players	Total Carolina 5	Frequent	Regular	Occasional	Infrequent
	Total Base	805	207	30	30	44	98
Respondent Gender	Male	50%	49%	55%	63%	46%	44%
	Female	50%	51%	45%	37%	54%	56%
Age	18-34	34%	24%	14%	19%	28%	26%
	35-54	39%	42%	47%	46%	36%	43%
	55+	27%	34%	39%	35%	37%	30%
Race	White	65%	53%	39%	65%	46%	56%
	Non-White	35%	47%	61%	35%	54%	44%
Education	HS or Less	40%	45%	54%	45%	43%	42%
	Assoc/ Bachelor's	53%	49%	43%	43%	55%	51%
	Post- Grad.	7%	5%	3%	10%	-	7%
Income	< \$30K	32%	39%	47%	32%	35%	39%
	\$30K - under \$60K	29%	31%	26%	30%	27%	36%
	\$60K+	26%	20%	19%	27%	17%	20%

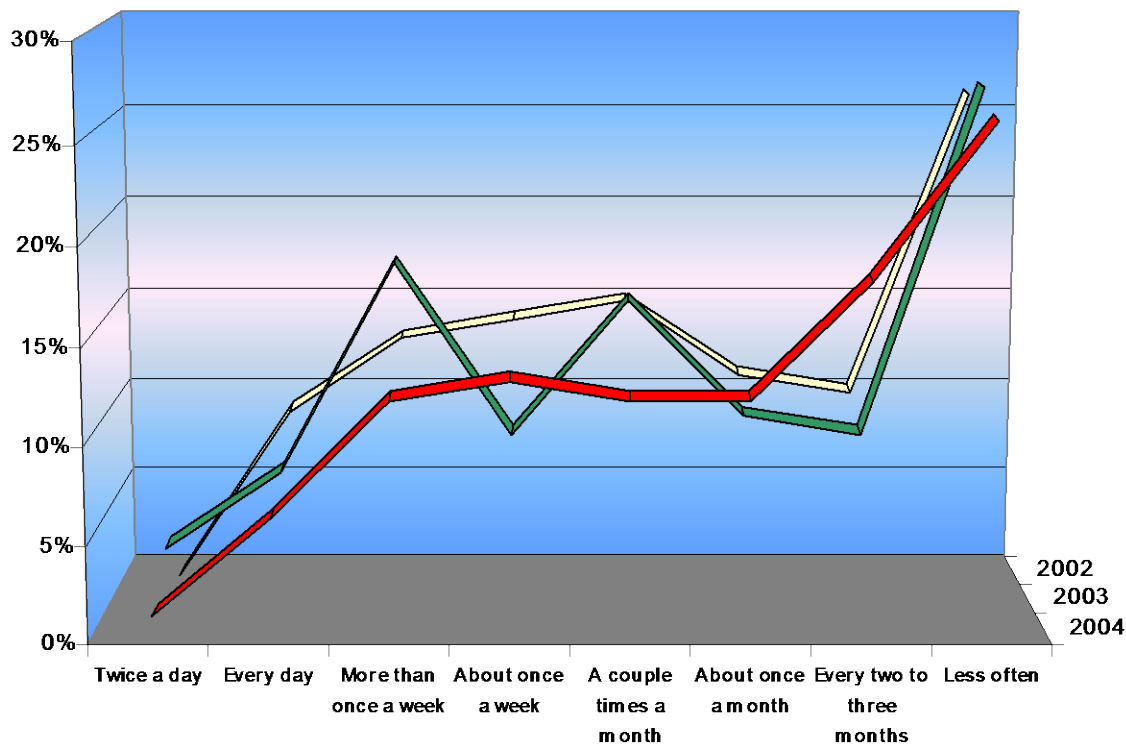
PICK 3

PICK 3 – Frequency of Play

- In 2004, 32% have played Pick 3 one/wk+, 24% play 1-3 times per month, and 44% play less than once a month.

- Downward trend but no significant relative to 2003 and 2002.

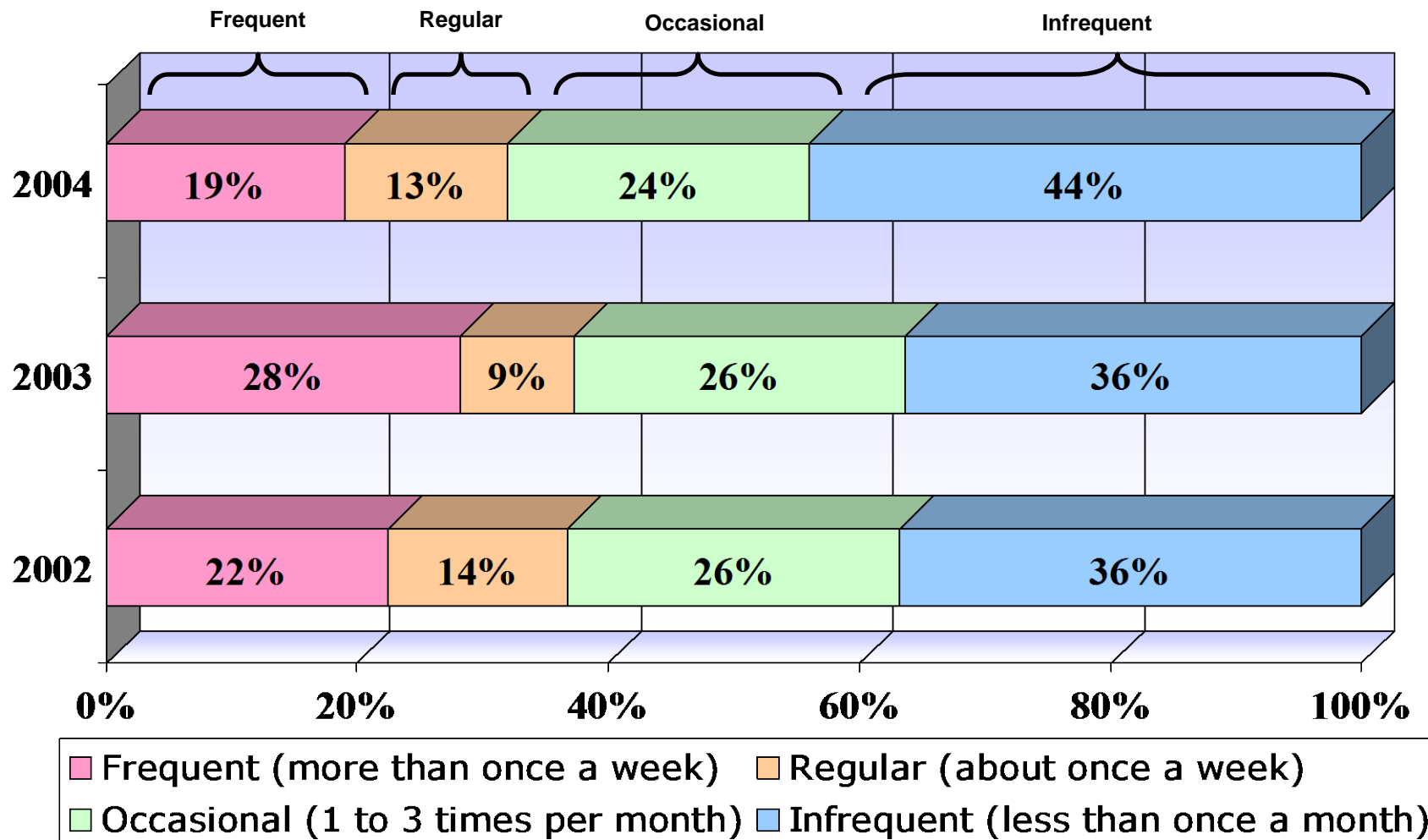
Pick 3 Play Frequency



	Twice a day	Every day	More than once a week	About once a week	A couple times a month	About once a month	Every two to three months	Less often
2004	1%	6%	12%	13%	12%	12%	18%	26%
2003	3%	7%	18%	9%	16%	10%	9%	27%
2002	0%	9%	13%	14%	15%	11%	10%	26%

PICK 3 – Frequency of Play

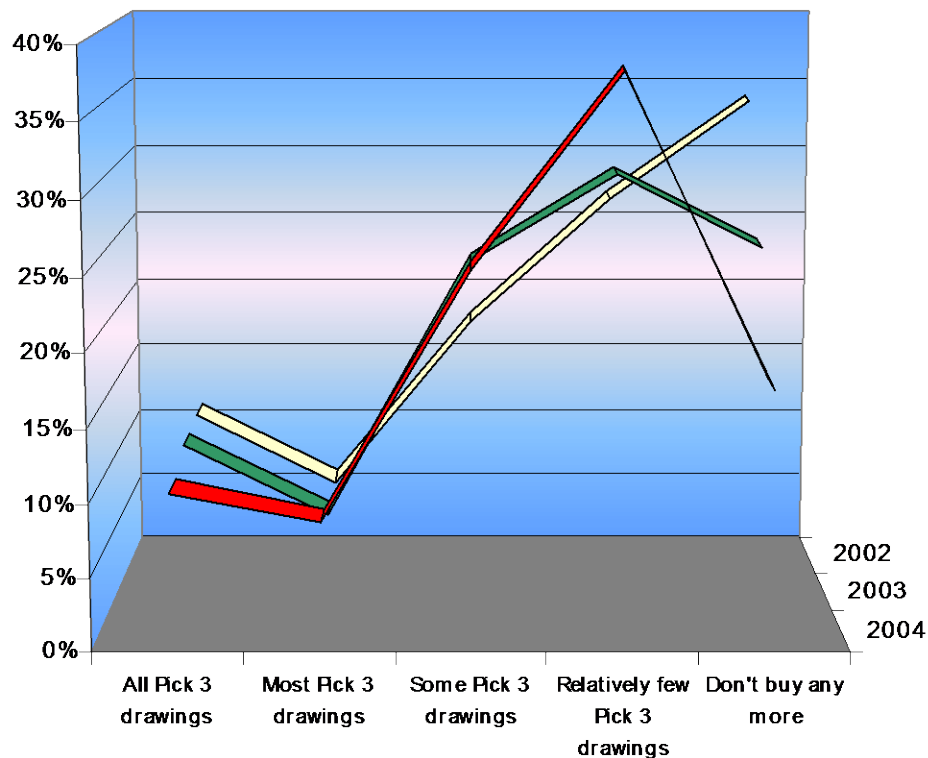
- In 2004, 68% of Pick 3 players are “Occasional” or “Infrequent” players. This is consistent with 2003 and 2002. However, only 19% of Pick 3 players are now “Frequent” players, a significant decline from 2003 (28%) and 2002 (22%).



PICK 3 – Participation in Drawings

- In 2004, almost two-thirds (63%) of Pick 3 players buy tickets for either “some” or “relatively few” Pick 3 drawings, a significant increase relative to 2002 (45%).

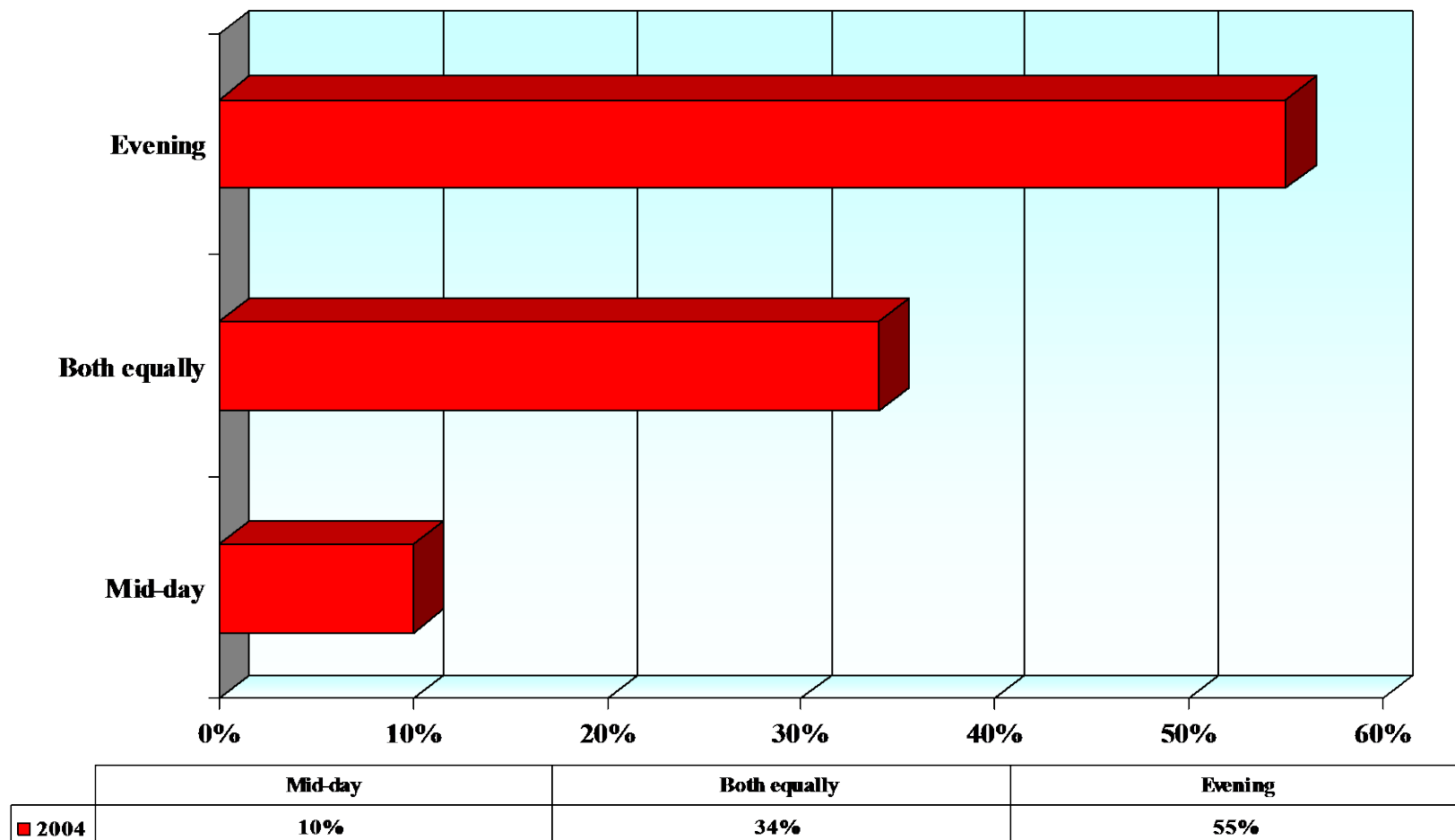
Pick 3 Play Frequency



	All Pick 3 drawings	Most Pick 3 drawings	Some Pick 3 drawings	Relatively few Pick 3 drawings	Don't buy any more
2004	10%	8%	25%	38%	17%
2003	11%	6%	24%	30%	25%
2002	11%	6%	18%	27%	34%

WHEN USUALLY PURCHASE PICK 3 TICKETS

- In 2004, more than half (55%) of Pick 3 players are likely to buy tickets for the evening drawing.



PICK 3 - Number of tickets purchased each time

- In 2004, Pick 3 players purchase 2.5 tickets each time which is consistent with 2003 (2.4) and has declined slightly from 2002 (3.0).
 - 62% of “Infrequent” Pick 3 players purchase only 1 ticket each time they play.

Q11. Number of Pick 3 Tickets Purchased Each Time (mean, among those who play Pick 3)			
	2004	2003	2002
Total Base	185	177	196
Mean Number of Tickets	2.5	2.4	3.0

2004 # of PICK 3 tickets purchased EACH TIME

	Total Players	Total Pick 3	Frequent	Regular	Occasional	Infrequent
Total Base	185	185	34	22	45	85
1	45%	45%	20%	31%	39%	62%
2	26%	26%	28%	41%	27%	20%
3	10%	10%	9%	-	13%	11%
4 - 5	14%	14%	27%	24%	15%	5%
6 - 10	5%	5%	15%	-	5%	1%
11 - 20	1%	1%	-	4%	-	1%
21 - 50	-	-	-	-	-	-
51+	-	-	-	-	-	-
Mean #	2.5	2.5	3.7	3.1	2.4	1.9

PICK 3 - Estimated \$\$ SPENT per Month

- In 2004, Pick 3 players spend \$17 on Pick 3 tickets per month.
 - 89% of “Infrequent” players spend \$1-\$5 on Pick 3 tickets per month.
 - 90% of “Frequent” and 72% of “Regular” players spend \$11+/month.

Q14. Average \$\$ Spent on Pick 3 Tickets Per Month (mean, among those who play Pick 3)			
	2004	2003	2002
Total Base	123	177	196
Mean \$\$ Spent	\$17	\$27	\$27

2004 Amount spent on PICK 3 tickets per MONTH

	Total Players	Total Pick 3	Frequent	Regular	Occasional	Infrequent
Total Base	115	115	22	14	29	49
1	17%	17%	-	-	11%	32%
2	12%	12%	-	-	14%	19%
3	10%	10%	4%	14%	3%	16%
\$4-5	14%	14%	-	7%	14%	22%
\$6-10	11%	11%	5%	7%	24%	8%
\$11-20	20%	20%	31%	50%	30%	-
\$21-50	10%	10%	37%	14%	-	2%
\$51+	6%	6%	22%	8%	4%	-
Mean \$\$ spent	\$17	\$17	\$55	\$20	\$10	\$4

Q14

*Note: 2004 Mean \$\$ Spent shows a decline from 2003 and 2002 (\$27); however 2003 and/or 2002 data may include spurious data, i.e. a very large range could have increased the mean.

Demographic Profiles based on Frequency of Play

- **Pick 3 Players tend to be Non-White, less educated (HS or less), and earn lower HH incomes (<\$30K).**
 - **“Regular” Pick 3 players are more likely to be older (55+).**
 - **“Frequent”, “Regular”, and “Occasional” Pick 3 players are more likely to be Non-White and less educated (HS or less).**

2004 Frequency of Pick 3 play

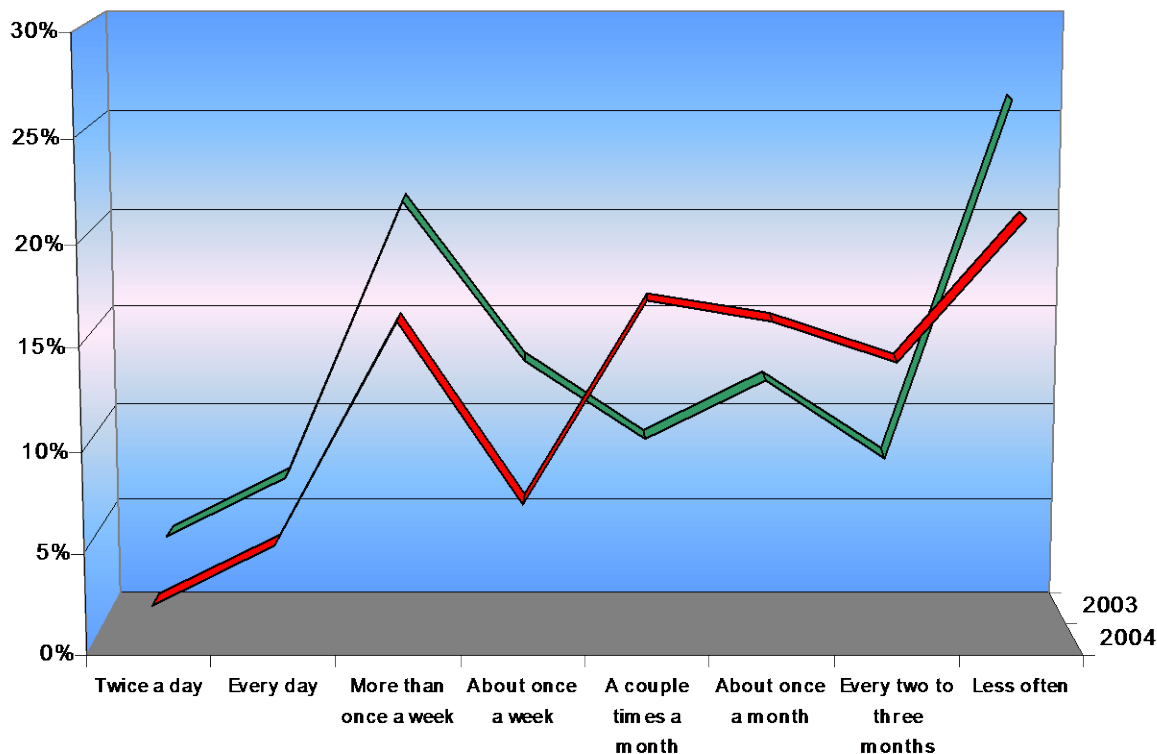
		Total Players	Total Pick 3	Frequent	Regular	Occasional	Infrequent
	Total Base	805	207	39	26	49	91
Respondent Gender	Male	50%	44%	48%	37%	47%	41%
	Female	50%	56%	52%	63%	53%	59%
Age	18 - 34	34%	28%	23%	16%	27%	33%
	35 - 54	39%	36%	47%	32%	31%	35%
	55+	27%	36%	31%	52%	42%	32%
Race	White	65%	34%	10%	20%	27%	51%
	Non- White	35%	66%	90%	80%	73%	49%
Education	HS or Less	40%	52%	69%	66%	67%	34%
	Assoc/ Bachelor's	53%	40%	31%	30%	31%	50%
	Post- Grad.	7%	6%	-	-	2%	12%
Income	< \$30K	32%	49%	50%	57%	56%	42%
	\$30K - under \$60K	29%	23%	29%	8%	33%	20%
	\$60K+	26%	16%	14%	9%	2%	25%

PICK 4

PICK 4 – Frequency of Play

- In 2004, 30% have played Pick 4 one/wk+, 33% play 1-3 times per month, and 35% play less than once a month.
- Significant decline once a week or more relative to 2003 (45%).

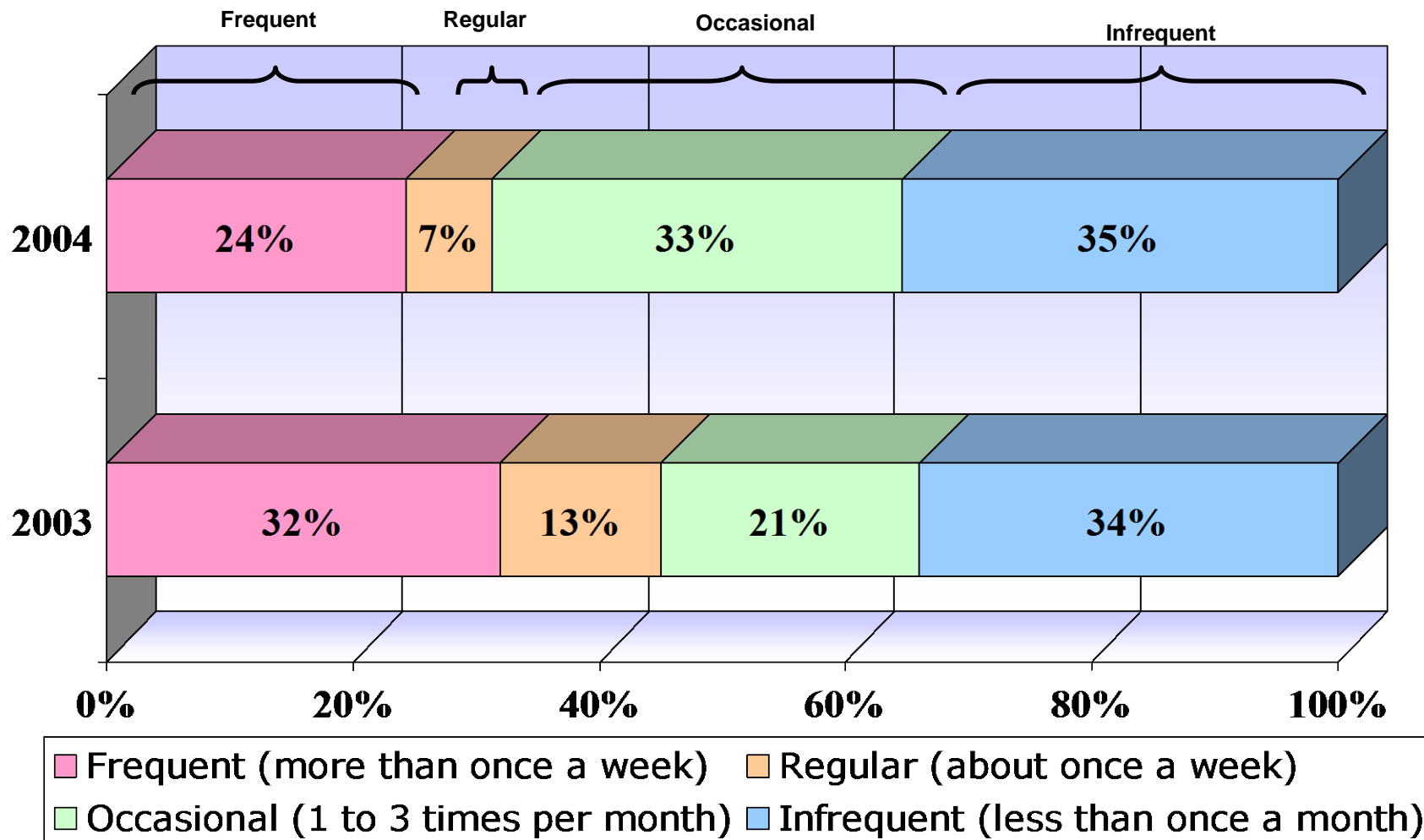
Pick 4 Play Frequency



	Twice a day	Every day	More than once a week	About once a week	A couple times a month	About once a month	Every two to three months	Less often
2004	2%	5%	16%	7%	17%	16%	14%	21%
2003	4%	7%	21%	13%	9%	12%	8%	26%

PICK 4 – Frequency of Play

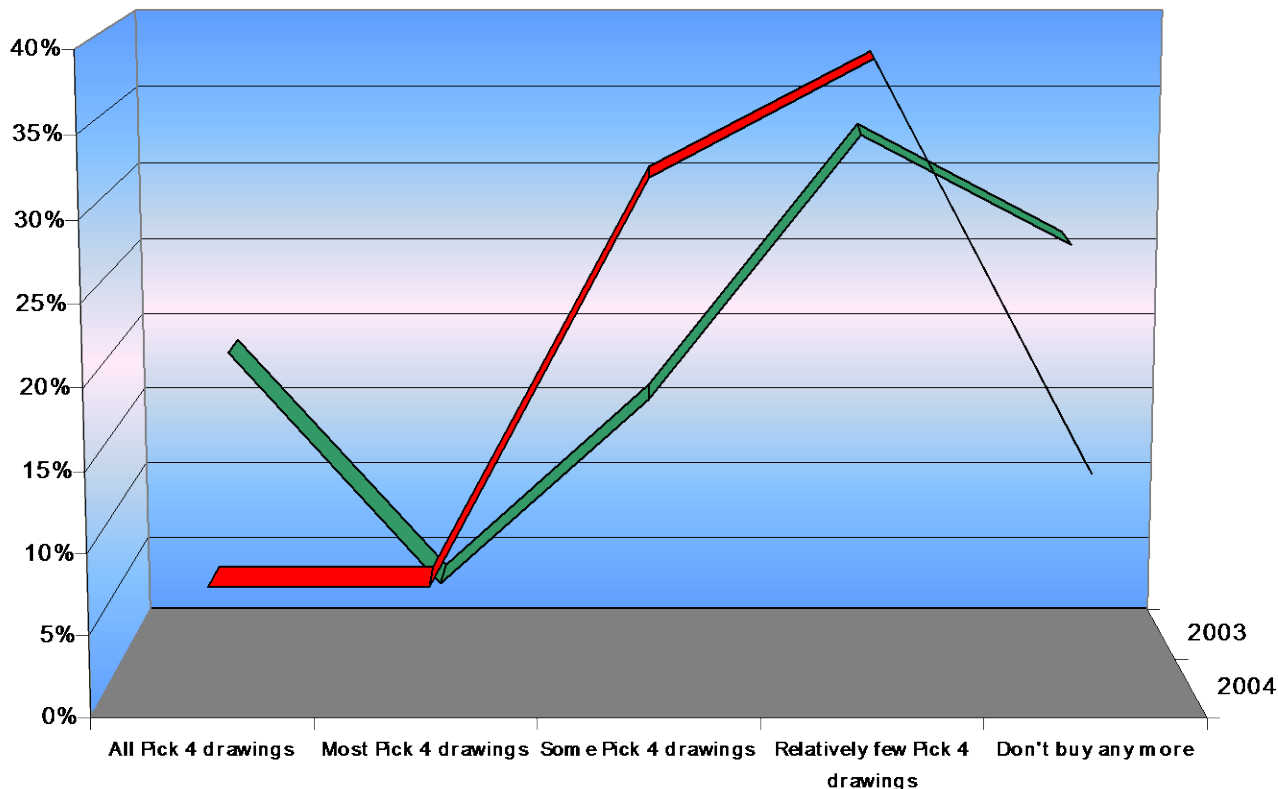
- In 2004, 68% of Pick 4 players are “Occasional” or “Infrequent” players, a slight increase relative to 2003 (55%).



PICK 4 – Participation in Drawings

- In 2004, 71% of Pick 4 players buy tickets for either “some” or “relatively few” Pick 4 drawings, a significant increase relative to 2003 (49%).

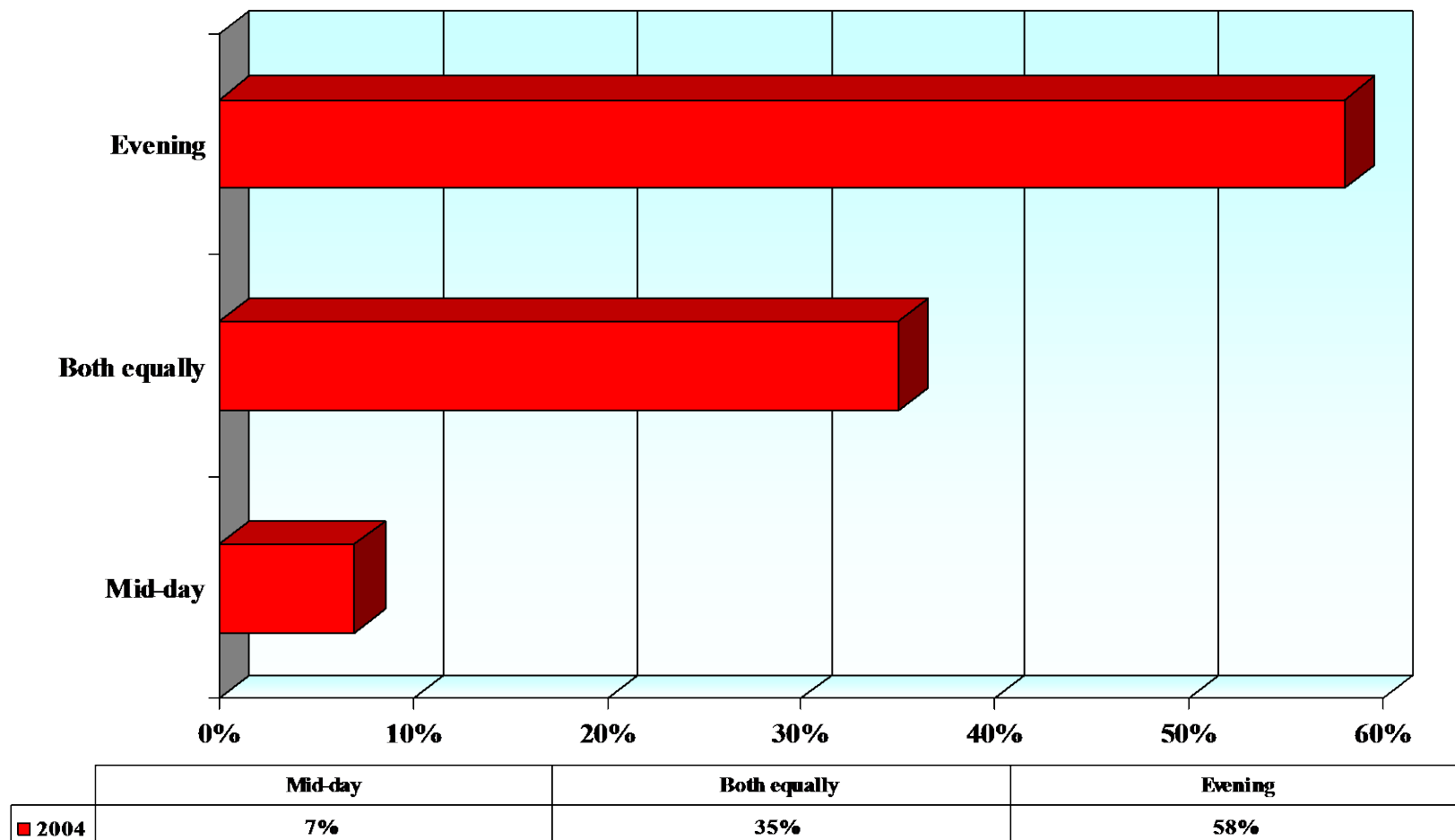
Pick 4 Play Frequency



	All Pick 4 drawings	Most Pick 4 drawings	Some Pick 4 drawings	Relatively few Pick 4 drawings	Don't buy any more
■ 2004	7%	7%	32%	39%	14%
■ 2003	19%	4%	16%	33%	26%

WHEN USUALLY PURCHASE P4 TICKETS

- In 2004, more than half (58%) of Pick 4 players are likely to buy tickets for the evening drawing.



PICK 4 - Number of tickets purchased each time

- In 2004, Pick 4 players purchase an average of 2.4 tickets each time they play which is significantly lower relative to 2003 (4.1).

Q17. Number of Pick 4 Tickets Purchased Each Time (mean, among those who play Pick 4)			
	2004	2003	2002
Total Base	104	67	NA
Mean Number of Tickets	2.4	4.1	NA

2004 # of PICK 4 tickets purchased EACH TIME

	Total Players	Total Pick 4	Frequent	Regular	Occasional	Infrequent
Total Base	104	104	26	7	35	35
1	49%	49%	23%	84%	48%	61%
2	32%	32%	47%	16%	34%	22%
3	4%	4%	-	-	9%	2%
4-5	9%	9%	17%	-	3%	11%
6-10	4%	4%	13%	-	3%	-
11-20	2%	2%	-	-	3%	3%
21-50	-	-	-	-	-	-
51+	-	-	-	-	-	-
Mean #	2.4	2.4	3.1	1.2	2.3	2.2

PICK 4 - Estimated \$\$ SPENT per Month

- In 2004, Pick 4 players spend an average of \$15 on Pick 4 tickets per month.
 - 71% of “Infrequent” players spend \$1-\$5 on Pick 4 tickets per month.
 - 83% of “Frequent” players spend \$11 or more per month.

Q20. Average \$\$ Spent on Pick 4 Tickets Per Month (mean, among those who play Pick 4)			
	2004	2003	2002
Total Base	66	67	NA
Mean \$\$ Spent	\$15	\$28	NA

2004 Amount spent on PICK 4 tickets per MONTH

	Total Players	Total Pick 4	Frequent	Regular	Occasional	Infrequent
Total Base	60	60	17	4	19	20
1	14%	14%	6%	-	5%	32%
2	13%	13%	-	-	10%	29%
3	3%	3%	-	-	5%	5%
\$4-5	10%	10%	-	-	25%	5%
\$6-10	20%	20%	11%	28%	38%	9%
\$11-20	22%	22%	26%	73%	16%	15%
\$21-50	9%	9%	25%	-	-	5%
\$51+	9%	9%	32%	-	-	-
Mean \$\$ spent	\$15	\$15	\$32	\$12	\$7	\$8

Q20

*Note: 2004 Mean \$\$ Spent shows a decline from 2003 (\$28); however 2003 data may include spurious data, i.e. a very large range could have increased the mean.

Demographic Profiles based on Frequency of Play

- Pick 4 players are more likely to be older (55+), non-white, less educated (HS or less), and earn lower HH incomes (<\$30K).

2004 Frequency of Pick 4 play

		Total Players	Total Pick 4	Frequent	Regular	Occasional	Infrequent
	Total Base	805	112	27	8	37	39
Respondent Gender	Male	50%	45%	54%	52%	46%	35%
	Female	50%	55%	46%	49%	54%	65%
Age	18 - 34	34%	22%	29%	13%	19%	23%
	35 - 54	39%	41%	56%	26%	28%	46%
	55+	27%	37%	15%	61%	53%	31%
Race	White	65%	31%	8%	36%	18%	55%
	Non- White	35%	69%	92%	64%	82%	45%
Education	HS or Less	40%	52%	54%	64%	63%	38%
	Assoc/ Bachelor's	53%	40%	42%	25%	29%	51%
	Post- Grad.	7%	7%	-	12%	8%	9%
Income	< \$30K	32%	46%	50%	39%	57%	35%
	\$30K - under \$60K	29%	31%	28%	23%	27%	39%
	\$60K+	26%	12%	8%	25%	3%	19%



KOPEL RESEARCH GROUP^{INC.}
Worldwide Targeted Marketing Research

LOTTERY GAME COMBINATIONS

LOTTERY GAME COMBINATIONS

- *Lottery players play a combination of games.*
 - *69% of Powerball players also play Instant Scratch.*
 - *69% of Instant Scratch players also play Powerball.*
 - *The majority of Carolina 5 players also play Powerball (90%) and Instant Scratch (88%). Half (49%) also play Pick 3.*
 - *87% of Pick 3 players also play Instant Scratch and 77% also play Powerball. Half (49%) also play Carolina 5.*
 - *The majority of Pick 4 players play all other games – Instant (87%), Powerball (83%), Pick 3 (81%) and Carolina 5 (60%).*

2004 Lottery Game Combinations

	Total Players	Total Powerball	Total Instant	Total Carolina 5	Total Pick 3	Total Pick 4
Base	805	592	591	207	207	112
Total Players	100%	100%	100%	100%	100%	100%
Total Powerball	74%	100%	69%	90%	77%	83%
Total Instant	73%	69%	100%	88%	87%	87%
Total Carolina 5	26%	32%	31%	100%	49%	60%
Total Pick 3	26%	27%	31%	49%	100%	81%
Total Pick 4	14%	16%	17%	33%	44%	100%

SUMMARY

SUMMARY - Market Penetration

- ◆ **Lottery is leveling at 54% of adult South Carolina residents since 2003 – but significantly up from 49% in 2002.**

- **Games with Highest Penetration of Adult Residents**
 - **Instant Scratch and Powerball - 39% each**

- **Games with Moderate Penetration of adult Residents**
 - **Carolina 5 and Pick 3 – 14% each**

- **Games with Low Penetration of adult Residents**
 - **Pick 4 – 7%**

SUMMARY - Demographic Profile

- ◆ The demographic profile of players and non-players for 2004 is consistent with the 2003 and 2002 player and non-player profiles.
- ◆ Players are more likely to be employed, working in blue collar positions and less likely to have 4 year college or advanced degrees. Otherwise, demographically, Players and Non-players match up proportionally.

Demographics by Game

- Demographic profiles of Instant Scratch and Powerball players are representative of the demographics of the total player base.
- Carolina 5 players are more likely to be Non-White and skew somewhat toward lower education and lower HH income levels.
- Pick 3 and Pick 4 players are more likely to be Non-White, be older (55+), have a lower education level (High School or less), and earn lower HH incomes (<\$30K).

SUMMARY - Frequency of Play

- ◆ The player bases for each game have shown frequency declines.
- ◆ Many newer Powerball players are infrequent players, generally playing only when the Jackpot is very large.

Combining Frequent and Regular players (play once per week or greater)

- Overall, 31% are frequent and regular, down from 39% in both 2003 and 2002.
- 31% of Powerball players are frequent and regular, down from 38% in 2003 and 52% in 2002. This may be construed as a positive, since the Powerball base increased over that time period, albeit many of the new players are occasional and infrequent players.
- 25% of Scratch players are frequent and regular, down from 31% in 2003 and 32% in 2002.
- 32% of Pick 3 players are frequent and regular, down from 37% in 2003 and 36% in 2002.
- 31% of Pick 4 players are frequent and regular, down from 45% in 2003. Pick 4 was not offered in 2002.
- 30% of Carolina 5 players are frequent and regular, up slightly from 27% in 2003 but down considerably from 53% in 2002.

QUESTIONNAIRE